

FBIS

DAILY REPORT

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FOREIGN MINISTRY SPOKESMAN HOLDS WEEKLY BRIEFING

Wu Xueqian To Visit Philippines

OW030418 Beijing XINHUA in English 0406 GMT 3 Apr 85

[Text] Beijing, April 3 (XINHUA) -- State Councillor and Foreign Minister Wu Xueqian will pay a goodwill visit to the Philippines from April 19 to 22 at the invitation of the Government of the Philippines.

This was announced by a spokesman for the Ministry of Foreign Affairs at a weekly news briefing here this morning. The spokesman said this year will mark the 10th anniversary of the establishment of diplomatic relations between China and the Philippines,

Over the past decade, he said, friendly relations and cooperation between the two countries have developed smoothly on the basis of the Five Principles of Peaceful Co-existence. He expressed the belief that the forthcoming visit by Foreign Minister Wu Xueqian will further enhance the friendship and cooperation between the two countries.

Wu To Attend Bandung Meeting

OW030414 Beijing XINHUA in English 0402 GMT 3 Apr 85

[Text] Beijing, April 3 (XINHUA) -- State Councillor and Foreign Minister Wu Xueqian will head a Chinese Government delegation to attend the commemorative meeting marking the 30th anniversary of the Afro-Asian conference to be held from April 24 to 25 in Bandung, Indonesia, at the invitation of the Indonesian Government.

This was announced by a Chinese Foreign Ministry spokesman at a weekly news briefing here this morning. The spokesman said the Afro-Asian conference held from April 18 to 24, 1955, in Bandung was a milestone in the history of the unity, friendship and cooperation of the Asian and African peoples.

He noted that the ten principles adopted at the Bandung conference have stood the test of the vicissitudes of the world situation over the past 30 years and showed great vitality. "They are still of practical importance to guiding the conduct of present day relations among states and settlement of international disputes and to the maintenance of world peace," he added.

The spokesman said the Chinese Government appreciates the efforts made by the Indonesian Government to hold grand commemorations for the 30th anniversary of the Bandung conference. The Chinese Government delegation is ready to join with other delegations and make positive efforts to carry forward the Bandung spirit and promote the unity and cooperation among the Asian and African countries, he added.

Tanzanian Official To Visit

OW030926 Beijing XINHUA in English 0841 GMT 3 Apr 85

[Text] Beijing, April 3 (XINHUA) -- Tanzanian Vice President Ali Hassan Mwinyi will pay an official goodwill visit to China from April 12 to 18 at the invitation of Chinese Vice President Ulanhu. This was announced by a spokesman for the Chinese Foreign Ministry at a weekly news briefing here this morning. He also announced that Chinese Foreign Minister Wu Xueqian will head a government delegation to attend the commemorative meeting marking the 30th anniversary of the Afro-Asian conference in Bandung.

Asked whether Wu Xueqian would talk with the Indonesian side on normalization of the Sino-Indonesian relations, the spokesman said that Wu was going mainly for the meeting. However, he said, he believed that direct contacts with the relevant Indonesian quarters at the meeting would enhance mutual understanding between the two countries and friendship between the two peoples.

Commenting on the entry of Spain and Portugal into the European Community on January 1, 1986, the spokesman described it as being yet another significant development towards the unity of Western Europe.

China had consistently supported the unity of Western Europe, for a united and strong Europe was conducive to peace and stability in the world, he said. "China is willing to further its friendly relations and economic and technological cooperation with the EEC countries including Spain and Portugal," he added.

Settlement of Machao Question

OW030520 Beijing XINHUA in English 0508 GMT 3 Apr 85

[Text] Beijing, April 3 (XINHUA) -- A spokesman for the Chinese Ministry of Foreign Affairs reiterated here today that the question of Macao should be settled at a proper time through negotiations between the Chinese and Portuguese Governments.

Speaking at a press conference here this morning, the spokesman said that Macao is part of China's territory and China and Portugal reached an understanding on this at the time of the establishment of the diplomatic relations between them. "We consistently hold that China's restoration of its right to exercise its sovereignty over Macao and other related issues should be settled at an appropriate time through friendly negotiations between the Chinese and Portuguese Governments. This is the consistent position of the Chinese Government on the Macao issue," he stated. He made this statement in response to a question on the Hong Kong and Macao issues.

He also said that an Office for Hong Kong and Macao Affairs had been set up recently in the Foreign Ministry to take care of affairs between China and Britain and Portugal over Hong Kong and Macao. The office is on par with other departments of the ministry.

He also disclosed at the conference that the Sino-British joint liaison group is to be formally established upon the coming into effect on the Sino-British joint declaration on Hong Kong issue. The Chinese and British sides are discussing the time of announcing the group's composition and other matters.

Arms Sales to Iran

HK031116 Beijing ZHONGGUO XINWEN SHE in Chinese 0802 GMT 3 Apr 85

[Report: "Ma Yuzhen Says That the Report on the So-Called Sino-Iranian Agreement on Chinese Arms Sales to Iran Is Sheer Fabrication" -- ZHONGGUO XINWEN SHE headline]

[Text] Beijing, 3 Apr (ZHONGGUO XINWEN SHE) -- Ma Yuzhen, the Chinese Foreign Ministry spokesman, said: The report that China and Iran have concluded an agreement on Chinese arms sales to Iran is a sheer fabrication. He made this statement when answering a question raised by a reporter.

He said: A Chinese Government economic delegation headed by State Councillor Zhang Jingfu recently visited the Middle East and some North African countries. The aim of this visit was to hold discussions with some Third World countries in the Middle East and North Africa, including Iran, on questions concerning the further development of bilateral economic and trade relations and the strengthening of South-South cooperation.

Torpedo Boat Incident

OW030627 Tokyo KYODO in English 0618 GMT 3 Apr 85

[Text] Beijing, April 3 KYODO -- The Foreign Ministry Wednesday refused to comment on the circumstances of the incident last month involving a Chinese torpedo boat that had drifted into South Korean territorial water following a fight aboard.

"We have already said what we have to say. We have nothing to add," a Foreign Ministry spokesman said. The spokesman made the remarks when asked to comment on the incident during a regular news briefing for foreign reporters.

On two previous occasions, the Chinese Foreign Ministry said the torpedo boat had entered into South Korean territorial waters after losing contact during a drill.

The Chinese media have so far not reported about the shoot-out that broke out aboard the boat and resulted in the death of six crewmen.

Visit by U.S. Ships

HK031030 Hong Kong AFP in English 1003 GMT 3 Apr 85

[Text] Beijing, April 3 (AFP) -- China and the United States are still discussing a planned courtesy visit by U.S. Navy ships to a Chinese port, a Foreign Ministry spokesman said here today.

"The question about the courtesy call by American ships to China is still under discussion by the two sides," the spokesman said in reply to a question at a weekly news briefing.

Previous reports have said that the visit would involve three ships and take place in Shanghai this spring.

The Foreign Ministry spokesman added that he was unable at present to provide any concrete information and refused to say whether China had demanded to know if the U.S. ships would be carrying nuclear weapons.

A U.S. Embassy spokesman when asked about the Foreign Ministry response, said both sides had previously announced that the visit would take place. Current discussions merely concerned technical details of the visit, the U.S. spokesman said. He added that the U.S. Embassy remained hopeful that dates for the visit could be announced in the very near future.

Meanwhile, diplomats here have said they expect a Cabinet-level U.S. official to visit China next month but were unable to give any details.

I. 3 Apr 85

PRC INTERNATIONAL AFFAIRS
UNITED STATES

B1

U.S. RELEASES 'SOVIET MILITARY POWER 1985'

OW030304 Beijing XINHUA in English 0238 GMT 3 Apr 85

[Text] Washington, April 2 (XINHUA) -- U.S. Secretary of Defense Caspar W. Weinberger said as long as the Soviet forces expand the United States and its allies must take the necessary steps "to ensure an effective deterrent."

Weinberger stresses in the preface of "Soviet Military Power 1985" released here today by the U.S. Department of Defense that the Warsaw Pact forces "continue to expand, modernize, and deploy with increasingly capable weapons system designed for the entire spectrum of strategic, theater-nuclear, and conventional conflict."

The 143-page fourth edition of Soviet military power reports some of the "significant developments of the Soviet forces" as follows:

-- On strategic weapons, test firings continue for the SS-X-24 and SS-X-25 ICBMs, the new, fifth-generation intercontinental ballistic missiles; two units of a new Delta IV-class of strategic ballistic missile submarine have been launched; a third 25,000-ton Typhoon-class strategic ballistic missile submarine has completed sea trials; the new supersonic, swing-wing Blackjack bomber continues in advanced test and development, and new strategic Backfire bombers continue to join operational Soviet forces at a rate of at least 30 a year.

-- On space weapons, the report stresses, the Soviet Union "is continuing to devote extremely high priority to its military related space program. ...The USSR is continuing research on ground-based and space-based high-energy lasers for use in antisatellite roles."

--On theater-nuclear weapons, the report says, the Soviet Union has pressed ahead with construction of new SS-20 missile bases in both the western and eastern USSR, enabling a substantial increase from the 378 5,000-kilometer-range nuclear missiles reported last year to about 400. And in parallel, new SS-21 missiles are being deployed in East Germany, and SS-22 missiles have been forward-deployed to East Germany and Czechoslovakia.

-- On conventional forces, the report says, Soviet ground forces numbered 181 divisions in 1981 have now grown to 199 motorized rifle, tank, and airborne divisions. Some 3,200 new main battle tanks have been added to the Soviet Army, upgrading Soviet tank divisions' capability, which are equipped from an USSR inventory of 52,000 tanks. The fourth 37,000-ton Kiev-class aircraft carrier is fitting out, and construction continues on the lead unit of an entirely new class of aircraft carrier that will be about 65,000 tons displacement.

The report adds, the Soviet Navy is the most visible element of the USSR's growing global reach. In Vietnam, for example, the Soviets have transformed Cam Ranh Bay into their largest forward deployment naval base in the world, adding more TU-16/badgers and a squadron of MIG-23/Flogger fighters.

Weinberger concluded, "It is incumbent upon the United States and its allies to have a full and precise understanding of the Soviet challenge as we take the steps necessary to preserve our freedom, to ensure an effective deterrent to the threat and use of force and, at the same time, to seek genuine and equitable arms reductions".

PRC DECIDES TO PAROLE CHINESE-AMERICAN

HK021254 Hong Kong AFP in English 1220 GMT 2 Apr 85

[By Lawrence Macdonald]

[Text] Beijing, April 2 (AFP) — A U.S. citizen who spent three years in a Chinese prison on a swindling conviction has been released due to illness and good behavior, information provided by Chinese and U.S. officials here indicated today.

Embassy officials who had previously confirmed that a U.S. citizen was being held in a Chinese prison but refused to provide any details said today that to the best of their knowledge there were no longer any U.S. citizens in Chinese custody.

A spokesman for the Chinese Justice Ministry said in a statement prepared on March 20 but released only yesterday that a Chinese-American named Jiang Ande was being held in prison but would be released on parole as soon as the Americans would take him back.

Mr. Jiang was convicted of swindling by the Beijing Intermediate People's Court while on tour in China in 1982 and sentenced to four years, spokesman Lu Jian said in response to repeated questioning about the prisoner's identity during the past three weeks. "In view of his repentant performance during the reform and his illness, it has long been decided to release him on parole," Mr. Lu said. "He is now waiting for the United States to take him back," he added.

U.S. officials refused to discuss the case but said that since China and the United States have yet to sign an extradition treaty the embassy could not accept custody of a prisoner. They added, however, that the embassy sometimes provided travel funds for indigent U.S. citizens stranded abroad.

It was not immediately clear whether Mr. Jiang was still in China. Observers said it was unlikely that the Chinese Government would grant him a visa in view of his conviction.

Chinese and U.S. officials refused to provide any other details about the case, but sources familiar with it said that Mr. Jiang had apparently attempted to help Chinese citizens obtain documents for leaving China.

The case is the first known long-term prison conviction on criminal charges involving a U.S. citizen in China, observers said. U.S. graduate student Lisa Wichser was detained by Chinese public security forces for several days in June 1982 and subsequently expelled on charges of obtaining state secrets. Following the incident, U.S. officials stressed in meetings with Chinese officials that they expected to be informed whenever a U.S. citizen was detained, embassy officials said. The American name and present whereabouts of the former prisoner were not immediately known.

YAO YILIN MEETS U.S. BANK DELEGATION 30 MAR

OW301755 Beijing XINHUA in English 1438 GMT 30 Mar 85

[Text] Beijing, March 30 (XINHUA) — Vice-Premier Yao Yilin met here this afternoon a delegation from the Chemical Bank of the United States led by its Chairman Walter Shipley.

The Chemical Bank, the sixth largest commercial bank in the U.S., and Bank of China started to act as each other's agent in 1979.

Yao exchanged views with Shipley on further exchange and cooperation between the two sides.

1. 3 Apr 85

P R C I N T E R N A T I O N A L A F F A I R S
S O V I E T U N I O N

C 1

COMMENTARY VIEWS SOVIET 'FREEZE' PROPOSAL

0W031101 Beijing XINHUA in English 1042 GMT 3 Apr 85

["Commentary: Why Does Soviet Union Propose a 'Freeze'? by Tang Xiushan" -- XINHUA headline]

[Text] Moscow, April 2 (XINHUA) -- The Soviet Union is reported to have proposed to the United States at the Geneva talks a freeze of their nuclear missiles and a ban on space weapons development. In fact, the Soviet leadership and mass media have been talking about the proposal for some time now.

On March 22, Soviet party General Secretary Mikhail Gorbachev told the representatives of the Socialist International's Committee for Disarmament that the Soviet Union is firmly opposed to any move that might turn the talks into a sort of camouflage for an intensified arms race. For this reason, he said, his country proposes to freeze the nuclear arsenal of both sides and stop any fresh missile deployment -- the United States stops deployment of new missiles and the Soviet Union stops to strengthen its countermeasures. This will contribute greatly to the settlement of all the issues discussed in Geneva, he added.

Five days later, the party newspaper PRAVDA said in a commentary that although the Geneva talks were being held under "strict security", the principled stand of the Soviet Union at the talks is no secret at all. It said that the Soviet Union wishes to stop rather than continue the arms race, and therefore proposes a freeze on nuclear weapons and a halt to fresh missile deployment.

Then why has the Soviet Union put forward such a proposal while it is bargaining with the United States over space weapons and nuclear disarmament?

First, the new Soviet proposal has come at a time when the Geneva talks are confronted with enormous difficulties. An IZVESTIYA commentary has noted that as the Geneva dialogue will be long and arduous, it might be advisable to start with some limited interim measures, for instance, a freeze on the production and deployment of nuclear missiles and their carriers. Such a move could make the principal issues at the talks easier to deal with.

Second, the Soviet Union appears to be worried by certain recent developments:

-- The U.S. Congress has approved the production of 21 more MX missiles which will cost 1.5 billion dollars;

-- The United States is determined to go ahead with the development of the space defence system, and furthermore, is inviting its European allies and other countries to participate in the system's research program;

-- NATO defence ministers have voiced their unanimous support for President Reagan's space defence initiative and have decided to continue the U.S. missile deployment in Europe;

-- Belgium has approved the deployment of U.S. cruise missiles on its territory after a long delay;

-- The United States and Canada have signed an agreement on the overhaul of the North American air warning system, which will enhance their joint air defence capabilities.

All these developments, in the Soviet view, point to the fact that the United States is seeking military supremacy through an intensified arms build-up which, if not "freezed", will aggravate the situation in Europe and make the Geneva talks more difficult.

The Soviet Union also believes that limited interim steps might be more acceptable as public opinion, particularly in the United States, favors a freeze. If the development and tests of nuclear and space weapons are frozen, then the Soviet Union will have realized its chief objective at the Geneva talks, that is, to prevent the United States from developing space weapons.

So far the United States has said nothing on the latest Soviet proposal. However, it is well-known that President Ronald Reagan has always been opposed to such a freeze which he believes will only serve the interests of the Soviet Union. Therefore, one may predict that there is little likelihood the Soviet "freeze" proposal will be accepted.

GROUP ENDS INSPECTION OF USSR COMMODITY SYSTEM

OW021912 Beijing XINHUA in English 1855 GMT 2 Apr 85

[Text] Moscow, April 2 (XINHUA) -- A Chinese group observing-commodity circulation systems wound up an inspection tour in the Soviet Union today.

The group, led by Vice-Minister of State Economic Commission Wang Lei, began the tour on March 17. The group held talks with leaders in charge of all-Soviet and local planning, purchasing, banking and pricing in Moscow, Leningrad and Kiev, and visited some commercial installations and farms as well as factories. They were accorded a warm and friendly reception by the Soviet departments concerned.

PRC, USSR SIGN BORDER TRADE CONTRACT IN HARBIN

OW030154 Beijing XINHUA in English 0133 GMT 3 Apr 85

[Text] Harbin, April 3 (XINHUA) -- Trade between Heilongjiang Province and the Soviet Far East will jump 43 percent this year over 1984, according to a contract signed here this month.

The continued trade negotiations, which followed talks in Mudanjiang City of Heilongjiang in January, ended in the Soviet city of Nakhodka, said Liu Wenrong, head of the Chinese delegation.

Heilongjiang will export soybeans, frozen meat, apples, textiles and light industrial goods. The Soviet Union will export glass, cement, soda ash, chemical fertilizer, frozen fish, timber, motorcycles and refrigerators.

Sino-Soviet border trade has been increasing "steadily" since it resumed in 1983, Liu Wenrong said.

Nationwide, the exchanges will reach 1.6 billion U.S. dollars this year, up 36 percent over 1984.

I. 3 Apr 85

PRC INTERNATIONAL AFFAIRS
NORTHEAST ASIA

D 1

KIM IL-SONG WELCOMES SOVIET DELEGATION TO DPRK

OW021934 Beijing XINHUA in English 1842 GMT 2 Apr 85

[Text] Pyongyang, April 2 (XINHUA) -- Kim Il-song, general secretary of the Central Committee of the Workers' Party of Korea, received this morning Oleg Rakhmanin, who is leading a party worker's delegation of the Soviet Union on a visit to Korea.

Kim Il-song had a cordial conversation with Rakhmanin who is 1st vice-head of the Liaison Department of the Central Committee of the Soviet Communist Party.

It is reported that Kim Chong-il, member of the Presidium of the Political Bureau of the Central Committee of the Workers' Party of Korea, was with Kim Il-song at the meeting with the Soviet guests.

The Soviet party worker's delegation came here on April 1, at the invitation of the Central Committee of the Korean Workers' Party.

PRC CULTURAL DELEGATION RECEIVED BY DPRK PREMIER

OW290922 Beijing XINHUA in English 0838 GMT 29 Mar 85

[Text] Pyongyang, March 29 (XINHUA) -- Kang Song-san, premier of the Administrative Council of the Democratic People's Republic of Korea, received this morning the visiting Chinese Government cultural delegation headed by Vice-Minister of Culture Lu Zhixian.

Kang Song-san said the signing of a cultural exchange program between the two governments would not only strengthen and develop the cultural exchanges between the two countries but also give impetus to a further strengthening of the traditional friendship between the two peoples which was built on a solid foundation. He wished the Chinese people great success in the implementation of the policies laid down by the Chinese Communist Party and in socialist revolution and socialist construction.

The Chinese delegation signed with the Korean side the 1985-86 cultural exchange program on March 25.

DPRK'S KIM HWAN MEETS PRC ARTISTS GROUP

OW311348 Beijing XINHUA in English 1322 GMT 31 Mar 85

[Text] Pyongyang, March 31 (XINHUA) -- Korean Vice Premier Kim Hwan met here today with a delegation of China Federation of Literary and Art Circles headed by Chao Yu, chairman of the Chinese Dramatists' Association.

Kim highly praised the achievements of Chinese artists and said that Chinese films, music and songs were welcomed by the Korean people.

He said the exchange of visits by cultural workers would contribute to the closer relations of friendship between the two countries.

The Chinese delegation arrived here on March 21.

DENG LIQUN MEETS DPRK JOURNALISTS DELEGATION

OW021700 Beijing XINHUA in English 1616 GMT 2 Apr 85

[Text] Beijing, April 2 (XINHUA) -- Deng Liqun, member of the Secretariat of the Central Committee of the Chinese Communist Party (C.P.C.), met a delegation from PYONGYANG SINMUM, a Korean newspaper, led by its editor-in-chief Kim Chong-hwan here today.

During a cordial conversation, Deng, who is also head of the Propaganda Department of the C.P.C. Central Committee, reaffirmed China's firm support to the just stand and proposition of President Kim Il-song and the Government of the D.P.R.K. in easing the Korean peninsula's tense situation. He said that close contacts between journalists of the two countries would help promote bilateral relations.

Kim said that during their visit to Beijing, Xian, Chengdu, Shanghai and Hangzhou, he and other members of the delegation had witnessed the great achievements the Chinese people scored after the Third Plenary Session of the 11th Central Committee of the C.P.C. in 1978.

Present at the meeting was Xu Weicheng, deputy secretary of the Beijing Municipal Committee of the C.P.C. and director-general of BEIJING DAILY.

The delegation arrived in Beijing on March 19 as guests of BEIJING DAILY. It will leave here for home tomorrow.

DPRK GOOD-WILL DELEGATION ENTERTAINED IN BEIJING

OW261731 Beijing XINHUA in English 1309 GMT 26 Mar 85

[Text] Beijing, March 26 (XINHUA) -- Chinese Vice-Minister of Foreign Affairs Liu Shuqing gave a banquet for a goodwill delegation from the Ministry of Foreign Affairs of the Democratic People's Republic of Korea led by its Vice-Minister Li Won-kuk here this evening.

The delegation arrived here this morning on a friendly visit to China.

HAO JIANXIU MEETS WORKERS PARTY OF KOREA GROUP

SK021238 Beijing International Service in Korean 1100 GMT 31 Mar 85

[Text] On the afternoon of 30 March in Beijing, Comrade Hao Jianxiu, alternate member of the Secretariat of the CPC Central Committee, met a Chagang provincial Workers Party of Korea [WPK] party delegation headed by Comrade Yi Pong-kil, member of the WPK Central Committee and responsible secretary of the Chagang provincial party committee.

In the meeting, the two parties recalled the China-Korea friendship sealed in blood. Comrade Hao Jianxiu, saying that mutual visits by leaders of China and Korea in recent years have further developed the China-Korea friendship, said that she hoped that such friendship would be handed down to future generations while strengthening mutual visits between the two parties and peoples of China and Korea, learning from each other, and helping each other.

Expressing a similar hope, Comrade Yi Pong-kil said that this is the policy of the WPK.

Introducing the status of economic construction in China to the Korean comrades, Comrade Hao Jianxiu said that she wanted them to express their noble opinions about China's economic construction sector during their stay in China.

I. 3 Apr 85

PRC INTERNATIONAL AFFAIRS
SOUTHEAST ASIA & PACIFIC

E 1

NEW ZEALAND PRIME MINISTER ON HU YAOBANG VISIT

OW030332 Beijing XINHUA in English 0258 GMT 3 Apr 85

[Text] Wellington, April 2 (XINHUA) -- New Zealand Prime Minister David Lange said that the forthcoming visit to New Zealand by Chinese Communist Party General Secretary Hu Yaobang "is important in the continuing strengthening of links between New Zealand and China."

"A number of issues of mutual interest will be discussed which I am sure will lead to new areas of cooperation and progress," Lange said. He also announced the details of the program for Hu Yaobang's visit last week.

JI PENGFEI MEETS HONG KONG VISITOR HUANG

OW021655 Beijing XINHUA in English 1640 GMT 2 Apr 85

[Text] Beijing, April 2 (XINHUA) -- State Councillor Ji Pengfei met with Denny Huang, a wellknown figure in Hong Kong, here today.

Ji is also director of the Office of Hong Kong and Macao Affairs under the State Council. He gave a dinner in honor of Huang and his wife after the meeting.

PRC TO HOST SPORTS MEET; TAIPEI REINSTATED

OW301638 Beijing XINHUA in English 1623 GMT 30 Mar 85

[Text] Hong Kong, March 30 (XINHUA) -- The Asian Volleyball Federation [AVF] has agreed to China's bid to host the fourth Asian women's volleyball championships.

It also supported the request of restoring the Chinese Taipei's membership in the Asian Volleyball Federation. The decisions were made at an AVF administration meeting here yesterday.

Wei Jizhong, vice-president of the Chinese Volleyball Association, said that China is preparaing to host the 1987 championships in its largest city, Shanghai, or its neighbour senic city, Suzhou.

According to the vice-president, the meeting also discussed the issue of restoring the membership of China's Taipei in the AVF.

Chinese Taipei's membership has been suspended from AVF because of its failure to observe the regulations and rules of the AVF when its team participated in the second Asian youth volleyball championships in Saudi Arabia last October.

A following AVF decision said that the suspension would not be lifted until the Chinese Taipei association made an open apology and gave guarantee that it would observe the regulations in the future.

At the meeting, a council member of the Chinese Taipei Volleyball Association made an open apology and said that they would obey the rules of the International Olympic Committee, the InternationalVolleyball Federation and AFV in the future.

NEW PAKISTANI PRIME MINISTER OUTLINES POLICIES

0W311916 Beijing XINHUA in English 1905 GMT 31 Mar 85

[Text] Islamabad, March 31 (XINHUA) -- Pakistani Prime Minister Mohammad Khan Junejo today stressed the need to promote national unity in the present period of transition from martial law to a representative government.

The prime minister was delivering his first address to the nation over radio and television this evening. He assumed the office of the prime minister on March 23 when the National Assembly and the Senate met in joint session.

"The conditions prevailing around us," Junejo said, "make internal cohesion and unity imperative. We have to work for national integration over and above regional groupings and parochialism."

The prime minister said that the transitional period will be very crucial and that it will be the duty of every Pakistani to help support democratic institutions.

In recent years, Pakistan has made progress in economic development. However, the new government will still face many problems including rural development and the spread of education. He noted that he plans stricter enforcement of the Islamic system in the country.

On the foreign policies of this government, the prime minister said that full attention would be paid to further strengthening the bonds of brotherhood with Islamic countries.

He said, "feelings of mutual sincerity, cordiality, goodwill and support to each other have always been given a top priority in our relationship with the people's Republic of China."

On relations with neighboring countries, he said Pakistan would adhere strictly to the principles of respect for each other's political independence, sovereignty, regional stability and non-interference in internal affairs.

Pakistan's good relations with the United States, the prime minister said, will continue to develop. He said there exist differences between Pakistan and the Soviet Union on the Afghan problem, but he hoped that these differences would not affect the bilateral ties between the two countries.

NEPAL-XIZANG AIR SERVICE TO BEGIN 'SOON'

0W311922 Beijing XINHUA in English 1916 GMT 31 Mar 85

[Text] Katmandu, March 31 (XINHUA) -- Air service between Nepal and Tibet will start soon, the head of the Tourism Department of Nepal said here today.

During a talk on Nepal-China tourism held by the Nepal-China Cultural Council this evening, director-general of the department Janak Thapa said that the two sides agreed in principle to establish the air link during his visit to Tibet last month.

Thapa said that tourism and trade between Nepal and Tibet are based on mutual benefit, and that prospects are good that both fields will enjoy further development.

President of the Nepal-China Cultural Council Maniharsha Jyoti [spelling of name as received] said that the development of tourism between Nepal and China would contribute to a deeper friendship between the two neighboring countries and peoples.

Tibet opened to tourists from Nepal in early March and several groups of tourists have already visited the roof of the world from the Himalayan kingdom.

WEST EUROPEANS PONDER PARTICIPATION IN 'STAR WARS'

OW011305 Beijing XINHUA in English 1140 GMT 1 Apr 85

["Commentary: A Hot Potato (by Zia Zimian)" -- XINHUA headline]

[Text] Bonn, April 1 (XINHUA) -- Many West European capitals are pondering their recent invitation from the United States to participate in the American "star wars" program. They are reluctant to answer within the 60 days suggested by the U.S., not because they wish to snub President Reagan or are indifferent. The decision is a "hot potato".

In spite of all the publicity during the past two years, details of the "star wars" program are still very vague. It is a case of asking a man to marry before he sees his bride, as one observer put it. West German sources said that no decision would be made before Chancellor Helmut Kohl receives more details from U.S. President Ronald Reagan in May when they meet.

Whether the "star wars" system will actually prevent or promote disarmament is big question for the West European countries. The Reagan administration claims that the progress the Americans have made in space weapons research is the major factor that prodded the Soviets back to the negotiating table in Geneva. But they also said they had felt compelled to catch up with Soviet space anti-missile technology developed in early 1970s, thus acknowledging that the "star wars" effort is indeed part of the arms race.

West Europeans believe that if they agree to join the U.S. program, they will be caught in this circular logic.

The power that controls superiority in defense weapons has an advantage in the arms race today. The Soviets obviously would not tolerate a U.S. advantage and therefore the arms race would be pushed to a new stage. Western partnership in the U.S. program would band them as participants in the arms race.

West European governments are also disturbed that the "star wars" system would protect only the United States. If each of the two superpowers has a safe shield against missiles, the danger of a local war in Europe could intensify and Western Europe might have to fight a Soviet conventional attack.

In the 1970s, former Federal German Chancellor Helmut Schmidt called attention to the European nuclear "grey area" and urged the U.S. to include the Soviet Europe-based medium-range missiles in their nuclear disarmament talks. He feared a disconnection in defense between the U.S. and the Western Europe. Now the U.S. "star wars" program may create a new division of opinion on allied defence policy.

The interests of the Europeans in the "star wars" program would be economic as well as political and strategic. Military technologies are inseparable from civil technologies.

The 26 billion U.S. dollars the Reagan administration intends to spend on space defence research is bound to accelerate the development of other new technologies in the U.S. and bolster U.S. industry.

Participating West European countries would undoubtedly reap some of these benefits and profits. If they stand by and refuse to cooperate they are likely to see Japan benefit. To a Western Europe trying to catch up with the U.S. and Japan in the field of new technology, this is a challenge indeed, and an opportunity as well.

I. 3 Apr 85

G 2

PRC INTERNATIONAL AFFAIRS
WESTERN EUROPE

Reagan has presented a thorny proposition to his Western allies on the issue of the "star wars" system at a time when they have not yet settled the European deployment of U.S. missiles.

As members of the European Community exchanged views on the matter at a summit Saturday, official sources and public opinion were demanding a unified stance by the West-European countries. This may be the only choice for a Western Europe caught between the contending superpowers.

YAO YILIN, ZHANG JINGFU MEETS FRG ENGINEER

OW021738 Beijing XINHUA in English 1716 GMT 2 Apr 85

[Text] Beijing, April 2 (XINHUA) -- A retired engineer from the Federal Republic of Germany was honored in meetings with Chinese Vice-Premier Yao Yilin and State Councillor Zhang Jingfu here this afternoon at Diaoyutai State Guesthouse.

Werner Gerich, 65, was employed as a management consultant by the Wuhan diesel engine factory last September. He was named director of the factory two months later, becoming the first foreigner to lead a Chinese enterprise.

During their talks, Gerich told the Chinese leaders he had brought research material and instruments from the F.R.G. to help the factory's workers bring the quality of their products up to world levels. Quality was the lifeline of a factory, and without that there would be no competitive power, he added.

Also present were Wuhan Mayor Wu Guanzheng and Per Fischer, Federal German ambassador to China.

WANG RENZHONG MEETS WEST GERMAN VISITORS

OW021310 Beijing XINHUA in English 1303 GMT 2 Apr 85

[Text] Beijing, April (XINHUA) -- Vice-Chairman Wang Renzhong of the National People's Congress Standing Committee met here this afternoon Dr. Heinz Gunther Husch, vice-chairman of the Economic operation Committee of the Federal Assembly of the Federal Republic of Germany, and his wife.

The German couple arrived here last Saturday at the invitation of China's State Economic Commission.

PRC, FRG TO COOPERATE IN DEVELOPING HAN JIANG

OW021015 Beijing in Mandarin to Taiwan 1500 GMT 31 Mar 85

[Text] In March China provided to the Federal Republic of Germany all Chinese data concerning feasibility studies for the development of Han Jiang. The two countries will cooperate to develop the Han Jiang.

The main contents of the development project include the dredging of a 65.5 km canal from Shayang to Shashi; the realignment of the 1,313-km main channel of Han Jiang; and the expansion, renovation, and construction of more than 10 key waterway transportation projects. An investment agreement on this will be discussed and signed in the FRG in May of this year. The FRG will send experts to complete a conventional and aerial survey of Han Jiang within this year.

The Han Jiang is the longest tributary of the Chang Jiang, and has the biggest cargo transport capacity of all tributaries of the Chang Jiang. It has a total length of 1,567 km. It is one of the main waterways for Shanxi and Shaanxi to transport their coal to other places.

PRC, NETHERLANDS TO BUILD NANTONG PORT

OW021109 Beijing in Mandarin to Taiwan 1500 GMT 31 Mar 85

[Text] China will cooperate with the Netherlands to build the Nantong port in Jiangsu through a joint venture. It is the first port construction joint venture China has entered into with a foreign country.

When the new wharf is completed, it will be managed jointly by the Chinese and Netherlands sides. The new wharf, to be built through a joint venture by the Nantong Port Administration, the multipurpose wharf Rotterdam Company in the Netherlands, and the (Polycalia West) consortium, includes 8 berths for oceangoing liners of 10,000 tons displacement, 10 berths for Chang Jiang-plying steamers of 5,000 tons displacement, and 12 berths for inner-river ships. Its total annual handling capacity is 10 million tons. The project has a planned total investment of 400 to 500 million yuan. The whole project will be completed before 1990.

WANG DAOHAN MEETS ITALIAN TRADE DELEGATION

OW020735 Shanghai JIEFANG RIBAO in Chinese 27 Mar 85 p 3

[Text] Shanghai Mayor Wang Daohan met with the Italian Government trade delegation led by Foreign Trade Minister Capria at Jinjiang Hotel yesterday at 1200 and hosted a banquet in their honor. The two sides had a cordial and friendly exchange on strengthening economic cooperation and trade between Italy and Shanghai. Italian ambassador to China Marras and Vice Chairman of the Shanghai Municipal Foreign Economic and Trade Commission Yang Zhenhan were present at both the meeting and the banquet.

The delegation arrived in Shanghai from Beijing on 25 March at the invitation of the Ministry of Foreign Economic Relations and Trade.

SUPREME COURT PRESIDENT MEETS EC COURT CHIEF

OW011810 Beijing XINHUA in English 1441 GMT 1 Apr 85

[Text] Beijing, April 1, (XINHUA) -- Zheng Tianxiang, president of the Supreme People's Court, met and feted Alexander J. MacKenzie Stuart, president of the Court of European Communities, and his wife here this evening.

The Mackenzies arrived here on March 30. Ren Jianxin, vice-president of the Supreme People's Court, had talks with MacKenzie this morning on the establishment of friendly relations between the two courts. They also exchanged views on strengthening China's cooperation and economic and trade relations with the EC and its member states.

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P R C I N T E R N A T I O N A L A F F A I R S
EASTERN EUROPE

H 1

POLISH VICE PREMIER ENDS VISIT TO SHANGHAI

OW021243 Shanghai City Service in Mandarin 0100 GMT 2 Apr 85

[Text] Deputy Chairman Obodowski of the Polish Council of Ministers and his party have concluded visit to Shanghai and left here for Guangzhou by special plane on the afternoon of 1 April.

Shanghai Vice Mayor Li Zhaoji, and responsible persons concerned (Hou Lingshi), (Li Jiahao), and (Shi Ji) saw them off at the airport. (Kaval), Polish consul-general in Shanghai, also saw them off at the airport.

On the morning of 1 April, Polish comrades visited the Baoshan iron and steel complex. Afterwards, they toured Huangpu Jiang on a boat.

Arrives in Guangzhou

OW011842 Beijing XINHUA in English 1834 GMT 1 Apr 85

[Text] Guangzhou, April 1 (XINHUA) -- Janusz Obodowski, vice-chairman of the Polish Council of Ministers, and his party arrived in Guangzhou from Shanghai this afternoon.

The Polish visitors were guests of honor at a banquet given by Deputy Governor of Guangdong Province Yang Deyuan on behalf of Governor Liang Lingguang this evening.

Yang said in his toast that his province was willing to expand bilateral cooperation in all fields with Poland.

Obodowski said that Poland and the Guangdong Province started trade and economic relations as early as in the 50s. He hoped to know more about how China's open policy was implemented in Guangdong so as to further expand the cooperation.

This morning, Obodowski and his party visited the Baoshan iron and steel complex in Shanghai.

RENMIN RIBAO ON SINO-POLISH ECONOMIC COOPERATION

HK030300 Beijing RENMIN RIBAO in Chinese 31 Mar 85 p 6

[Article by Zhong Bo: "There Are Vast Vistas for Sino-Polish Economic and Trade Cooperation"]

[Text] There is a good tradition of economic and trade cooperation between China and Poland -- the two countries signed their first intergovernmental trade accord 35 years ago in 1950. And Sino-Polish economic and trade cooperation has been constantly developing ever since, based on the principle of equality and mutual benefit. In the past few years the economic relations and trade between the two countries have been further strengthened. In 1985, the volume of trade between China and Poland will amount to 1.3 billion Swiss francs, an increase of 180 percent over that of 1984. Equivalent to 90 times the 1950 trade volume stipulated by the Sino-Polish trade accord, the 1985 trade volume will be unprecedentedly high in the history of trade between the two countries. Apart from the traditional forms of commodity exchanges, other cooperation forms, such as economic and technological cooperation between industrial branches and cooperation in technological transformation of old plants, have also been adopted in economic and trade cooperation between China and Poland the past few years.

Commodity exchanges have been the principal form of economic and trade cooperation between China and Poland. In the past 35 years our country exported to Poland such items as rice, frozen pork, tung oil, tea, light industrial and textile products, and mineral products.

Commodities imported from China have been very well received among the Polish people. Particularly in the past couple of years, when Poland was faced with temporary economic difficulties, our country supplied Poland with frozen pork and other commodities on preferential terms, which has been appreciated by the Polish people. China mainly imports steel products, sulfur, electrolytic copper, soda ash, cargo ships, coal mining equipment, and other electromechanic products. This trade relationship, established on the basis of the principle of helping supply each other's wants and on equal and a mutually beneficial footing, has played a positive role in speeding up the socialist economic construction of both China and Poland and in enhancing the friendship between the two peoples.

Developed over the past few years, the economic and technological cooperation between the industrial branches of China and Poland has already scored initial results. In late 1980, China and Poland reached agreement on a cooperation project to develop lead-zinc mines in Yunnan Province of China with Polish experts involved in the design work and mining and the two countries signed the first contract for industrial cooperation between them. After that, the electronics, coal, mining, machine building, chemical, and other industrial branches of the two countries have sent expert groups to exchange visits and undertake comprehensive and specialized fact-finding tours, thus further enhancing industrial cooperation between the two countries.

The cooperation in technological transformation of old plants is a new form of cooperation between China and Poland. The two countries signed contracts on cooperation projects to carry out the technological transformation of old plants in 1984 during a visit to Poland by Zhu Rongji, vice minister of the Chinese State Economic Commission. In the 1950's we imported equipment from Poland for 32 projects, including sugar refineries, power stations, coal, washing plants, fiberboard plants, and so on. Now all this machinery imported from Poland has been operating for 2 to 3 decades and badly needs to be replaced. Poland has long been known for its rich experience and high attainments in the technique of underground solution mining of sulfur, the manufacture of coal mining and washing equipment, copper mining and smelting techniques, the manufacture of ship equipment, and so on. The technology for these industrial branches imported from Poland can better suit our national conditions. And in fact Poland is technologically qualified and capable of supplying equipment to facilitate the technological transformation of some plants, mines, and enterprises. Therefore there is still potential for cooperation between China and Poland in the technological transformation of old plants.

The China-Poland Ocean Shipping Company, which was founded in 1951 to promote economic and trade cooperation between the two countries, was renamed the China-Poland Shipping Corporation in 1977. Representatives of the two sides have been working together amicably since the founding of the company. Thanks to its high management efficiency, the company has scored pretty good economic results. The size and business of the shipping company have kept expanding. The company, which owned only four poorly equipped small ships in its early days, now has a fleet of 24 ships with modern equipment. In the past 30-odd years since its founding the company has taken charge of the shipment of most cargoes exchanged between China and Poland, as well as the shipment of part of the cargoes which China imported from Hungary and Czechoslovakia. The company has played its due role in promoting our country's economic relations and trade with Poland, Hungary, and Czechoslovakia.

In light of the ever-developing economic relations and trade between China and Poland as well as the two countries' current economic strength and market potential, we have every reason to believe that there are vast vistas for economic and trade cooperation between the two countries.

U.S., ISRAEL MAIN OBSTACLES TO MIDEAST SETTLEMENT

OW300511 Beijing Domestic Service in Mandarin 1150 GMT 28 Mar 85

[*"International Current Events"* talk: "Prospects for the Mideast Situation"]

[Excerpts] The Middle East is one of the most unstable regions in the world. Constantly in turmoil, it attracts world attention.

As we all know, the key to the Mideast question lies in the settlement of the Palestine question. Egypt has been an active supporter of Mideast peace talks. President Mubarak calls for safeguarding the national rights of the Palestinian people, recovering Palestinian and Arab lands occupied by Israel since 1967, and recognizing the PLO as the sole legitimate representative of the Palestinian people. He holds that a joint delegation should be formed by Jordan and the PLO for direct talks with Israel. One of the purposes of Mubarak's visit to the United States in March was to urge the U.S. Government to play an active role in achieving progress in the Mideast peace talks by using the opportunity of the momentum brought about by the agreement reached between Jordan and the PLO.

However, the United States failed to show a positive attitude during the talks with Mubarak. All it agreed to do was explore the possibility for the joint Jordanian-Palestinian delegation to take part in the Mideast peace process. But it insisted that there be no PLO members in the joint delegation. The facts show that the United States has no intention of changing its attitude of rejecting the PLO and siding with Israel. In its talks with Egypt, the United States stressed two points. One was that the United States will have no dealings with the PLO unless it directly and openly accepts the right of Israel to exist and recognizes UN Security Council Resolutions 242 and 338. The other was that the United States places emphasis on direct talks between Arab countries and Israel and it will not take charge of any actual talks in which Israel is not involved.

Neither has there been any substantial change in the attitude of the Israeli authorities.

Defying the call for justice made by the various countries in the world, the United States vetoed a UN Security Council resolution on 12 March which condemned recent Israeli atrocities in southern Lebanon where civilians were brutally killed. At the same time, the United States is continuously providing military and economic aid to Israel. It openly declares that its purpose in increasing military aid to Israel is to ensure that the latter will be able to maintain its quantitative superiority over its Arab neighbors. In contrast, the United States intends to stop for the time being its arms sales to the Arab nations. Commenting on this, public opinion in the Arab countries held that the United States will find even less trust from the Arab world if it does not take an impartial position in dealing with Mideast affairs.

We can see from the above that, with regard to the Mideast question, the United States remains partial to Israel while at the same time adopting a wait-and-see attitude toward the peace initiatives taken by countries like Egypt and Jordan. Many people note that the United States is in no hurry to settle the Mideast question, and what concerns it the most in the world today is the arms race with the Soviet Union. In addition, it is paying more attention also to the Central American, European, and Afghan questions. What concerns the United States in the Middle East is the Lebanon question. This is because a settlement of this question will not only reduce Israeli casualties but also help build U.S. relations with Syria, thereby preventing further infiltration of Soviet influence.

In other words, every action by the United States in the Mideast region is taken on the basis of its own interests as a superpower. This has nothing in common with the realization of the right to national self-determination by the Palestinian people and the establishment of an independent state of Palestine. As long as the United States maintains a passive wait-and-see attitude and continues to side with Israel and as long as the Israeli authorities stubbornly keep to their hostility against the Palestinian people, the peace talk as proposed by Egypt, Jordan, and the PLO will not materialize.

At present, the United States and Israel are the main obstacle to a fair and just settlement of the Mideast question. The struggle being waged by the Palestinian people for the right to national self-determination will advance along a course full of contradictions and twists and turns.

SUDANESE SOCIALIST UNION DELEGATION ARRIVES 1 APR

Xi Zhongxun Hosts Banquet

OW011649 Beijing XINHUA in English 1643 GMT 1 Apr 85

[Text] Beijing, April 1 (XINHUA) -- A Sudanese Socialist Union delegation led by its Secretary General Muhammad 'Abd al-Gadir 'Umar was honored at a banquet given by Xi Zhongxun, member of the Political Bureau of the Central Committee of the Chinese Communist Party (C.P.C.), here this evening at the Great Hall of the People.

Xi, also member of the Secretariat of the C.P.C. Central Committee, said at the banquet that the establishment of official relations between the Chinese Communist Party and the Sudanese Socialist Union in 1978 had pushed the traditional friendship between the two governments and peoples to a new level.

'Umar spoke highly of the Sudan-China friendship and China's assistance to the Sudan. He said that the close relations between the two countries "can be seen and felt by the Sudanese people in their daily life". 'Umar also hoped that the friendly relations and cooperation between the union and the C.P.C. would develop constantly.

Present on the occasion were Qian Liren, head of the International Liaison Department of the C.P.C. Central Committee, and Muhammad Hamad M. Matar, Sudanese ambassador to China. The delegation arrived here this afternoon on a friendly visit to China as guests of the Chinese Communist Party.

Li Xiannian Meets Delegation

OW021540 Beijing XINHUA in English 1431 GMT 2 Apr 85

[Text] Beijing, April 2 (XINHUA) -- Chinese President Li Xiannian met a delegation from the Sudanese Socialist Union led by its Secretary General Muhammad 'Abd al-Gadir 'Umar here this afternoon at the Great Hall of the People.

'Umar presented to Li a letter by Sudanese President Ja'far Muhammad Numayri. The letter involved how to solve effectively social and economic problems on a worldwide scope as well as drought and desertification in Africa, sources close to the meeting said.

Li expressed the hope that both countries would make contributions to the promotion of South-South cooperation. President Li also briefed 'Umar on China's economic situation. 'Umar conveyed President Numayri's invitation to Li to visit Sudan. Li expressed his thanks. Present at the meeting was Qian Liren, head of the International Liaison Department of the Chinese Communist Party Central Committee.

FURTHER ON PROGRESS OF 3D SESSION OF 6TH NPC

Zhao Submits Hong Kong Motion

OW031114 Beijing XINHUA in English 1055 GMT 3 Apr 85

[Text] Beijing, April 3 (XINHUA) -- The current session of the National People's Congress (NPC) held its third plenary meeting in the Great Hall of the People here today.

Premier Zhao Ziyang submitted a motion concerning the Sino-British joint declaration on the Hong Kong issue to the session for deliberation and approval.

Wu Xueqian, state councillor and minister of foreign affairs, made an explanatory speech on the motion.

Wang Hanbin, secretary-general of the NPC Standing Committee and director of the committee's Commission of Legislative Affairs, explained a draft decision to authorize the state council to make provisional regulations concerning the current economic reform and the implementation of the open policy. The draft decision had been deliberated by the NPC Standing Committee last month.

Wang Hanbin also made explanations on a draft inheritance law, which the NPC Standing Committee submitted to the session for approval.

Chen Pixian, vice-chairman of the NPC Standing Committee, delivered a report on the work of the committee.

Zheng Tianxiang, president of the Supreme People's Court, made a report on its work.

Yang Yichen, chief procurator of China's Supreme People's Procuratorate, submitted a report on the work of the Supreme Procuratorate.

Peng Chong, vice-chairman of the NPC Standing Committee, presided over today's plenary meeting.

Present as observers were members of the Sixth National Committee of the Chinese People's Political Consultative Conference, who are attending the committee's third session.

Foreign diplomatic officials in Beijing were present as guests.

Wu Xueqian on Hong Kong Issue

OW030840 Beijing XINHUA in English 0820 GMT 3 Apr 85

["Foreign Minister Discusses Hong Kong Issue" -- XINHUA headline]

[Text] Beijing, April 3 (XINHUA) -- Foreign Minister Wu Xueqian today asked China's legislature to examine and approve the Sino-British joint declaration on the question of Hong Kong.

He described the declaration, which was signed on December 19, 1984, as an important success of China's foreign policy as well as the fruit of friendly cooperation between the Chinese and British Governments.

Wu, also a state councillor, was addressing the Third Session of the Sixth National People's Congress, at its plenary meeting here this afternoon. A motion to the same effect had been submitted by Premier Zhao Ziyang for deliberation and approval by the NPC session.

Following the initialing of the joint declaration on September 26, 1984, Wu Xueqian made a detailed report on the issue to the NPC Standing Committee on November 6.

At today's meeting, Wu expounded the "one country, two systems" concept, China's guiding principle in formulating its policies on Hong Kong. The concept, he said, was advanced by Chinese leaders on the basis of seeking truth from facts and respecting history and giving consideration to the present situation. China was implementing the concept "one country, two systems" under the condition that socialism is the mainstay, he said.

"To let Hong Kong keep its capitalist system for 50 years," Wu said, "will bring no harm to socialism but will, on the contrary, complement our socialist construction. The 'one country, two systems' concept is our firm national policy for reunifying our country."

The settlement of the Hong Kong question, Wu continued, marked a big step forward in the Chinese people's endeavor to attain the great goal of reunification. "It will have far-reaching influence on the effort to end the separation of Taiwan and the mainland at an early date," Wu said.

The resolution of the Hong Kong question also provided the international community with fresh experience for peacefully settling disputes, in particular historical problems outstanding between states, Wu said. He attributed the success of the Sino-British negotiations on the Hong Kong issue to the wise decisions and the efforts of the leaders and governments of the two countries.

With the settlement of the Hong Kong issue, Wu said, "the existing friendly relations between China and Britain have entered a new historical period."

Turning to future work on Hong Kong, Wu Xueqian told deputies that following completion of the legal procedure for ratifying the joint declaration, instruments would be exchanged in Beijing before June 30 to put the declaration into effect. Then Hong Kong would enter a period of transition. During this period, Wu continued, the British Government was to be responsible for the administration of Hong Kong, and the Chinese Government would cooperate.

When the joint declaration became effective, Wu said, a Sino-British joint liaison group would be set up to exchange information and consult on relevant matters. Meanwhile, Wu continued, a land commission made up of Chinese and British officials would be established in Hong Kong to deal with leases and related matters.

Affirming that all-round implementation of the declaration accorded with the common interests of China and Britain, Wu Xueqian reiterated that the Chinese Government would make unremitting efforts to carry it out. He also expressed the conviction that, for this common goal, China and Britain would continue to cooperate closely and effectively in a spirit of understanding.

On the current situation in Hong Kong, Wu Xueqian told deputies that since the signing of the joint declaration, stability remained, the economy prospered and many undertakings developed. He expressed the belief that Chinese in Hong Kong would continue to work for this stability and prosperity.

Deputies Discuss Reform

OW022051 Beijing Domestic Service in Mandarin 1200 GMT 2 Apr 85

[Text] According to this station's reporters, deputies attending the Third Session of the Sixth NPC continued their group meetings today to examine the three reports submitted by Zhao Ziyang, Song Ping, and Wang Bingqian. Excerpts of the remarks by some deputies follow:

Ren Zhongyi, Guangdong deputy and first secretary of the Guangdong Provincial CPC Committee, told a reporter of this station: Reform is an inevitable trend in China's historical development. This trend should not, and will not, be reversed. We should not blame reform, nor should we waver, simply because it has given rise to some problems. Problems appearing in the course of reform must be dealt with in the course of that progress. Retrogression will lead us nowhere. As reform continues to deepen and the economy continues to develop, there will be more ways to solve the problems.

Commenting on unhealthy tendencies, Ren Zhongyi said: Unhealthy tendencies are absolutely not the product of reform. Reform should not be blamed as the cause of unhealthy tendencies. The causes of unhealthy tendencies are conventional thinking and forces of habit, as well as outmoded management.

Ren Zhongyi stressed that, while checking unhealthy tendencies, we should protect the enthusiasm for reform among cadres and masses, guide them to learn from their mistakes caused by lack of experience in carrying out reform so that they can heighten their understanding and continue to march forward, and should not indiscriminately regard all mistakes as unhealthy tendencies. He said: People really engaging in irregularities and malfeasant practices are a minority, and we should not dampen the enthusiasm for reform among the majority of people just because of the problems of a small number of people.

Vice Chairman of the NPC Standing Committee Wei Guoqing, who is hospitalized because of an illness, sent a written statement to the Henan delegation. His written statement reads: Our economy cannot develop and our four modernizations cannot be achieved unless we go on with our reforms. While we must persist in carrying out reforms, our measures must be reliable. Under today's gratifying situation, we must guard against thoughtless pursuit or competition for speed of growth. We must go all out to do our work, but we must be realistic and practical, and guard against superficiality and fraud.

Sichuan Deputy Wang Qian said: In the course of reform, efforts must be exerted in invigorating the operation of the large and medium-size state-operated enterprises. He said: Chongqing, which is the first city the central authorities designated to carry out the reform experiment, has achieved significant successes in reform. This year it will focus its attention on reinvigorating the large and medium-size enterprises. To this end, we are ready to do our job well in three areas: First, we are determined to separate government administration from enterprise management so that our enterprises really have the power to decide on their production and operation. Second, we will pay special attention to enterprises' internal reform, making sure that their management is sound. Third, we will make sure that our enterprises will have good leading bodies with competent directors and managers.

Wang Qian added: With the exception of food grain and edible oil, the prices of all other farm products are now basically allowed to float in Chongqing. When the prices began to float, some people rushed to purchase everything, even sugar and soap. That was a situation caused by misunderstandings. But we remained calm because we knew our warehouses had enough supplies. The market quieted down 4 days later.

He said: In the course of reform, readjustment of commodity prices is necessary because without it the economy cannot be invigorated. Readjustment of commodity prices will not generate any major problems as long as supplies are adequate, we enlighten the masses beforehand, and we prepare them psychologically.

Henan Deputy Zhao Wenfu said: Comrade Deng Xiaoping pointed out that it is necessary to educate the people of the nation to be moral and educated with lofty ideals and a high sense of discipline. Of these four requirements, ideals and discipline are particularly important. They are guarantees for successful reform of the economic structure. Our ideal is to build a socialist society with distinctive Chinese characteristics. When we have this common objective, we will work in unity to achieve the four modernizations. Having a high sense of discipline means that we must follow the state's policies and obey its laws. For this reason, we must educate our cadres and masses to have lofty ideals and a high sense of discipline. Cadres at all levels must take the lead in setting an example in observing discipline and abiding by law.

Ningxia Deputy Ma Qingnian said: To do a good job in restructuring the national economy as a whole, with focus on the urban economy, we must pay attention to four matters: First, we must encourage a down-to-earth work style, stressing the need to speak the truth, exert real efforts, do practical work, and achieve effective results. Second, we must properly handle the problems appearing in the course of reform. While we must not ignore those problems, neither should we overestimate them. We must distinguish the principal and essential aspect from the secondary and nonessential one, knowing that all problems appearing in the course of progress can be resolved and corrected. Third, we must intensify administration and emphasize discipline. We must, in particular, correct the situation characterized by lax discipline, take firm actions to check new unhealthy tendencies, and strictly follow the central authorities' unified planning and policies. Fourth, in national autonomous areas, we must integrate reform with the law of regional autonomy of minority nationalities, and by no means should we try to achieve arbitrary uniformity by ignoring the special characteristics of areas inhabited by national minorities. To achieve this, the fundamental requirement is to implement the law of regional autonomy of minority nationalities firmly, making sure that the various autonomous rights the law has authorized national autonomous areas are effectively exercised.

Hunan Deputy Liu Zheng said: Unhealthy tendencies must be checked with resolve, but reform must go on. By no means should we waver on this issue. He said: Our country and our people have placed hope for their revitalization and prosperity on reform, which has just begun. We must act firmly to make reform a success in accordance with the requirements Premier Zhao has set forth in his report.

Hubei Deputies Yang Xiaoyun and Huang Hantao are young peasants, and competitors for prosperity. During the current session, they belong to the same group and live in the same dormitory. They said in their speeches: Young people in the rural areas should become examples in being moral and educated people with lofty ideals and a high sense of discipline. They should never forget to serve the people wholeheartedly. Yang Xiaoyun said: I made a study and found that a peasant needs approximately 300 yuan a year for food, clothing, and medical service, but that about 35 percent of rural families can still be considered poor today. Those people who have become affluent should help others become affluent, and the purpose of reform is to build a stronger nation with affluent people. When someone becomes affluent, he must think of other people and not himself alone, much less should he benefit himself at the expense of others. Huang Hantao said: Young people should have lofty ideals and the desire to do better. They should study science, understand policies, and be willing to bear hardship. Only then will they be able to become affluent quickly. Today the rural areas' ideological and political work is impotent; the rural areas are still culturally backward.

Some people do not have any lofty ideals, and some people have even committed crimes in their pursuit of pleasure. We believe that more efficient ideological work should be used to help young people in rural areas understand that they should work hard to achieve the great communist goal.

Xinjiang Deputy Amudong Niyazi said: Premier Zhao said in his report that there should be unified understanding in five respects, including the checking of unhealthy tendencies and doing away with interference in reform. Reform is not necessarily related to unhealthy tendencies. Some people believe that reform is the cause of unhealthy tendencies. This is a misconception. He said active reform and (?exploration) should be strictly distinguished from practicing irregularities in the name of reform so that reform can proceed normally with an untarnished reputation.

Beijing deputies pointed out that, to ensure success, economic reform must be firm and the initial steps must be courteous, and that this principle is likewise applicable to the reform of scientific research and the educational system. Deputy Yan Renying said: We must fully understand the special nature of scientific research. We should be more farsighted and should not pay attention only to achieving immediate results. We should underscore applied science, but we should also pay attention to basic research. While our country cannot afford to squander its limited resources, the importation of scientific and technical know-how was once quite unrealistic, and certain imports were redundant. This issue must be attended to. Deputy Zhu Futang said: In the course of educational reform, special attention must be attached to secondary, primary, and kindergarten education, which is the base of the foundation. Deputy Han Maofu said: Reform requires physically sound people, and students should be helped to develop morally, intellectually, and physically. While middle and primary schools today have only limited funds for physical education, most of the available funds are spent on sports meets. This problem should be attended to:

Gansu Deputy Zhu Xuanren said: Economic development is essential for better education. If education and scientific and technological work remain undeveloped, economic development will be handicapped. We should be fully aware of such casualty. We must consider education an important matter and place it on our agenda. All developed countries pay great attention to educational investment and the proportional development of regular education and higher education. There will not be a solid foundation for the development of higher education if regular education is not developed.

State Council Regulations

OW030902 Beijing XINHUA in English 0819 GMT 3 Apr 85

["State Council To Formulate Provisional Regulations" -- XINHUA headline]

[Text] Beijing, April 3 (XINHUA) -- The National People's Congress (NPC) today began deliberating a draft decision that the State Council be empowered to enact provisional economic regulations.

Wang Hanbin, secretary general of the NPC Standing Committee, explained the draft decision submitted to the congress by the committee's Legislative Affairs Commission. The decision would give the State Council the power to formulate provisional regulations concerning economic restructuring and the implementation of the open policy, he said. Many new questions arising in the current reform would call for timely legislation, Wang said.

While laws should be made on those that were ripe for legislation, Wang said, practical experience was still lacking to handle many other complicated ones. On such questions, Wang argued, the State Council should be empowered to formulate provisional regulations until the time was ripe for the NPC and its Standing Committee to make laws.

"If this is not properly handled," Wang said, "it will hamper the progress of the economic reform and the execution of the open policy." History showed that any major new reform had to be tested in social practice and its successes then incorporated into a law, he said. On this understanding, Wang continued, the Legislative Affairs Commission had drafted this decision for the current congress to deliberate.

He noted that the work had to be done in the light of the constitution, the basic principles of existing laws and related decisions of the NPC Standing Committee. Should the provisional regulations run contrary to such principles and decisions, they should be submitted to the NPC and its Standing Committee for final decision.

The power so given to the State Council was only confined to the framework of the economic reform and the execution of the open policy, Wang said. The regulations so made were of a temporary nature only, he said. When practice proved their validity and the conditions were ripe, the NPC or its Standing Committee would evolve them into laws or make decisions to amend or revise relevant laws. Pending the making or revising of such laws, Wang said, regulations should be made to ensure that all economic contracts with foreign partners signed in accordance with State Council provisional regulations would be in force until the expiry of the contracts.

Ni Zhifu, Others on Zhao Report

OW020455 Beijing XINHUA Domestic Service in Chinese 1539 GMT 29 Mar 85

[Excerpts] Beijing, 29 Mar (XINHUA) -- Deputies to the Third Session of the Sixth NPC today held group discussions on Premier Zhao Ziyang's government work report and the two reports made by Song Ping and Wang Bingqian. They pointed out: After several years of readjustment and reform, our economy is now on a new path suitable to China's conditions. It has entered a new phase of sustained, steady, and balanced growth. This is an achievement of strategic significance in our economic development and will ensure that our economy develops with full vitality for a long period. The whole country should help safeguard and promote the development of this excellent situation.

The more than 2,700 deputies to the session warmly discussed the reports today in 120 groups. They took the floor one after another and spoke out freely. A lively atmosphere prevailed throughout the conference halls. Many deputies made serious preparation and wrote down outlines for their speeches.

Deputies pointed out with satisfaction: The government work report realistically analyzes the current economic situation and presents reliable, positive, feasible, and sound policies, tasks, and measures for economic structural reform. The prospect of our economic development envisioned in the report is encouraging. Working with one heart and one mind, acting modestly and prudently, and living plainly, we can definitely make our country prosperous and strong and our people well-off in the near future.

Ni Zhifu, secretary of the Tianjin Municipal CPC Committee and a deputy himself, said: A correct understanding of the situation is a precondition for enacting the policies and carrying out our work. Only when we achieve a consensus in our understanding can we work with one heart and one mind, keep in step, and make joint efforts. Ni Zhifu discussed the main trend of our current economic development and cited 10 changes in Tianjin's economic life to show the effect of the policies of economic structural reform, opening China to the world, and enlivening its domestic economy.

The changes cited by him are greater vitality in enterprises; breaking the practice of "everyone eating from the same big pot" in distribution; quickening technological transformation; scoring an initial breakthrough in opening Tianjin to the outside world; changes in port management; diversifying economic forms and management methods; broadening Tianjin's lateral economic links with the rest of the country; bringing closer the relations between the cities and the countryside; preliminary establishment of a social atmosphere of respecting knowledge and capable people; and a new, healthy change in the people's life style and mental state. Ni Zhifu said that these changes will have an important effect on future economic development.

Chen Lei, governor of Heilongjiang Province and NPC deputy, said that he completely supported the analysis in the government work report concerning the main characteristics of national economic development in recent years. Referring to the reality in Heilongjiang, he said: Owing to readjustment and reform in recent years, a good trend has appeared in Heilongjiang's economy in which coordinated development of agriculture and the light and heavy industries is being promoted.

Deputy Hu Lijiao, second secretary of the Shanghai Municipal CPC Committee and chairman of the municipal People's Congress Standing Committee, said: The success of China's rural reform has given impetus to urban structural reform. This is a new development. As in the rest of the country, Shanghai's economic situation gets better and better with each passing year. In 1984, Shanghai's total industrial and agricultural output value rose 10.2 percent over the previous year. This is the largest single yearly increase. We will work hard to transform and revitalize Shanghai and make greater contributions toward achieving the national goal of quadrupling the industrial and agricultural output value.

Deputies' Amendments to Report

OW030745 Beijing XINHUA in English 0736 GMT 3 Apr 85

[Text] Beijing, April 3 (XINHUA) -- Deputies to the National People's Congress here have proposed many amendments to Premier Zhao Ziyang's report on government work delivered last Wednesday.

The wide-ranging proposals cover price indexing, GNP statistics, education and other social development projects, mining, telecommunications and measures to check malpractices. Zhao's report had been deliberated by deputies in panel discussions since March 18. Extracts of their comments have appeared in the press over the past few days.

Several deputies suggested that price indexes be published regularly, as the government used to do in the early years after the People's Republic was founded. Deputy Wu Zhonghua, a scientist from Jiangsu Province, said that price indexes of means of production and subsistence should be published separately so that ordinary people could understand what lay behind the statistics. Wang Zhenying from Jilin Province said that the publication should link wage growth rate with price changes.

Some amendments were related to GNP statistics. Wu Zhonghua pointed out that the draft 1985 state plan referred to industrial and agricultural output value in 1984 "in terms of 1980 constant prices". This was not scientific because it contained duplication and did not reflect the whole situation of social production Wu argued. He suggested that total social product, national income and GNP be used instead of industrial and agricultural output value.

Wang Daheng from Jilin Province disagreed. He said that industrial and agricultural output value should include increased value in every production process but exclude duplication of the amount of labor used. The value created by service trades should also be included. He pointed out that the national economic growth rates planned by the government in the past few years were remarkably lower than the actual increases. Government plans should make both closer so that they could give better guidance to the country's economic activities, he said.

Yang Chunmao from Beijing said that the 1985 government plan was specific in economic targets but vague in social development and improvement of living standards. Wang Ziye from Anhui Province said that Zhao's report failed to attach enough importance to education and improvement of the quality of commodities. Another Anhui deputy suggested that the government encourage development of small mines but strengthen unified control. He urged the NPC Standing Committee to pass a law on protection of mineral resources as early as possible.

Ma Wanqi, a deputy from Hong Kong said that public bidding should be introduced to speed up development of energy and transport. Deputies also reminded the government to pay attention to specific local problems.

Chen Xitong Speaks at Session

OW020623 Beijing XINHUA Domestic Service in Chinese 1558 GMT 30 Mar 85

[By reporter Chen Xianxin]

[Text] Beijing, 30 Mar (XINHUA) -- NPC deputy and Beijing Municipality's Mayor Chen Xitong said today at the group session of the Beijing municipal delegation at the Third Session of the Sixth NPC that he was greatly inspired by the praise and proposals in the newspapers made by deputies who came to Beijing to attend the meeting on Beijing's construction and service work, but that Beijing still has many "difficulties." The Beijing Municipal People's Government will never fail to live up to the expectations of the deputies from other places and the people in the municipality, but will certainly be most firmly determined to gradually solve the "difficulties."

In his speech, Chen Xitong maintained that Premier Zhao Ziyang's report on the work of the government confirmed, on the basis of seeking truth from facts, the excellent situation in economic reform, and pointed out the existing problems at the same time; and that, as a government worker, he was very much inspired while listening to it. He said: Like the whole country, Beijing also scored tremendous achievements in last year's reform in industrial and agricultural productions, commerce, and communications, as well as in scientific, educational, public health, and other work; and will unswervingly continue to carry out the reform, and will certainly win victory in the first battle. However, we have also soberly noticed the existence of various difficult problems brought about by excessive "overdue accounts" and inconveniences in people's livelihood, such as the difficulty in obtaining hotel accommodations encountered by visitors to Beijing.

One of the deputies interrupted to say that Beijing has "eight major difficulties." Chen Xitong said that it would be an understatement to say that there are only "eight major difficulties" and that he could name more than 30 difficulties in one breath. He said: Beijing Municipality feels great pressure, but the problems were not created in a single day. Instead, they were left over from a period of many years, even decades.

To solve them, it requires time and funds. While the state has difficulties, Beijing Municipality also has shortage of funds and can only do what it can by solving the most difficult problems first, such as the housing problems encountered by teachers at middle and primary schools, the problem of hotel accommodations, eating problems, and clothing problems. This year, we have made arrangements for many items, and some "difficulties" will be gradually alleviated.

He said that he feels happy about the fact that, as that in the whole country, the situation in Beijing Municipality has been fine for several years, instead of for just 1 year. Through reform and readjustments, the proportions among the various aspects of Beijing's industrial and agricultural productions have been relatively better coordinated, enabling some of them to develop toward benign circulation, and bringing about not only rapid progress in output values but also a great enhancement of economic results and simultaneous increases in output values, profits, and financial income. Thus, with Beijing Municipality's financial situation slightly improved after several years of efforts, the municipality will have greater strength to solve the living problems of the capital's residents.

He said: With the concern of the CPC Central Committee and the State Council, and the great support of the various fraternal provinces, cities, and autonomous regions, we will certainly be able to build the capital into a window of the whole country's socialist material and spiritual civilizations.

XUE MUQIAO INTERVIEWED ON PRICE, WAGE REFORM

OW011317 Beijing XINHUA in English 1125 GMT 1 Apr 85

[Text] Beijing, April 1 (XINHUA) -- China's wage and price reforms will bring benefits to the people, Xue Muqiao, one of China's leading economists, said here today. The reforms would play a vital part in activating the economy, developing the productive forces and making full use of the initiative of businesses and workers. Xue, 81, was speaking in an exclusive interview with XINHUA during the Third Session of the National People's Congress here.

According to a Chinese financial source, the government has been planning and preparing to implement the reforms for three years. "Now the time is ripe," said that source.

Some people are worried that the measures will trigger price hikes, which could lower living standards. But Xue said today: "They need not worry." He quoted the example of the raise of the purchasing prices of farm produce in 1979. The move stimulated agricultural production and helped improve living standards.

Xue believed that the relaxation of price controls over non-staple foods would stimulate production and increase supply. The law of value had been neglected for too long, and a stable price system had been mistakenly linked to a price freeze, Xue said. The prices of many commodities, such as minerals, raw materials and energy, had not reflected their true value nor the relationship between supply and demand. Meanwhile, egalitarianism had been practiced in wage distribution, regardless of responsibility, ability and contribution to society. Xue said he regarded the reform measures, as set out by Premier Zhao Ziyang in his government work report, as being "positive and appropriate".

According to Zhao, China will institute a responsibility-based wages system for government employees and office workers, and a system under which the total payroll of an enterprise will fluctuate according to its economic performance. Xue said this reform would lead to pay rises for most workers.

However, he warned, such increases should not be so big that they caused inflation or supply shortages. The surest way to improve living standards rapidly was to increase production considerably, he added. Xue pointed out that the government was now reducing the number of mandatory quotas, and increasing advisory ones. This meant that without price reforms, blind production would emerge, and the necessary proportions of different products in the economy would become unbalanced.

To guard against the emergence of unexpected problems, the economist suggested that two things should be ensured -- strict control over the size of capital construction to ensure equilibrium of finance, credits and materials and control over growth of consumption funds.

Xue Muqiao has been active in China's economic work since 1949. He was one of the chief economists to plan the unification of China's financial and economic affairs, the stabilization of prices and transformation of private industry and commerce after 1949.

CPPCC MEMBER PROPOSES NUCLEAR POWER CORPORATION

OW021600 Beijing XINHUA in English 1441 GMT 2 Apr 85

[Text] Beijing, April 2 (XINHUA) -- China should set up a nuclear power corporation to study, design and manufacture nuclear power station equipment as soon as possible, a leading specialist in thermal energy proposed here today.

Wang Zhou, member of the Chinese People's Political Consultative Conference National Committee and a professor at Qinghua University, made his proposal at today's plenary meeting of the current CPPCC session. He said that developing nuclear energy was an important part of China's energy development program which, in turn, was crucial to the country's economic construction as stressed by Premier Zhao in his government work report.

Wang, 54, a native of Guangdong Province in south China, went to France at the age of seven and returned in 1982. "China is my motherland although I worked for more than 30 years in France," he said. "As a thermonuclear engineer, I would do my part in developing China's nuclear power industry."

Nuclear power was easier to develop in terms of transport and production costs, Wang said. It was vital to work out the correct proportion of nuclear power to other major sources of energy, including thermal and hydropower resources.

He suggested that the country formulate an overall plan for energy development and conduct feasibility studies on building thermal and nuclear power stations in various areas. It was necessary to import technology and equipment, the nuclear specialist said. But, he added, the imports should be used to help China develop its own equipment, while helping ease the current energy shortages.

Professor Wang said China was in a favorable position to expand its nuclear power industry because it had a powerful machine-building industry and a good foundation for the nuclear industry.

In addition, he said, China had good facilities for training nuclear technicians and, more importantly, an industrial system for recycling nuclear fuel which existed only in a few countries in the world.

He also proposed that China start research into the development of fast neutron breeder power stations and include the project in the country's economic and scientific development plans.

SHIJIE JINGJI DAOBAO CITED ON CHECKING EVIL WIND

HK021332 Beijing RENMIN RIBAO in Chinese 1 Apr 85 p 5

[Article by Xing Qing abridged from SHIJIE JINGJI DAOBAO [no date given] "Curb' Unhealthy Trends, but Do Not 'Stir Up' a Whirlwind"]

[Text] Our present reforms are an unprecedented cause in China's history. In the course of the reforms, there will certainly be some new things and new problems. We should adopt a scientific and realistic attitude toward them and make concrete analysis of concrete things.

The evil wind must be checked. Such unhealthy trends as seeking selfish gains for small groups or individuals at the expense of overall interests must be resolutely curbed. At any time and in any place, malpractices and malversations are intolerable and must be stopped by enforcing the law and discipline. However, we should not stir up a whirlwind when taking steps to stop the evil wind. Instead, we should carefully distinguish the character of the problem. We must not use the same formula to handle all things indiscriminately, and in particular, must not start any political movement or mass movement against some people as we did before. Whatever step we are to take, we should first take into consideration its social effect and its impact on the people's attitude and must avoid any reckless action. Otherwise, we may disrupt the good situation in the reforms which has not come easily, or may even set them back.

In addition, some problems are phenomena that are bound to appear in the substitution of a new structure for an old one and in the trial operations of the new mechanisms. They should not be confused with evil trends. We should understand that the exposure and development of a problem is the prerequisite for solving that problem, and shows a new subject or a new point for further efforts for reform. For example, the problem in financial management has induced people to think about how to use financial management as an important lever to control the overall economic situation. This will also further prompt us to perfect various means and links in the management of the national economy. So, isn't it a "stone" that we may tread on to "cross the river of reform?" We should admit that the process of shifting from an old economic structure to a new one is still like an unfamiliar waterway for us. If we do not grope for the right course and do not allow the appearance of problems but just want to succeed in one single move, this would be the same as excluding the possibility of "crossing the river."

In fact, some things we regard as trouble are the inevitable results and normal phenomena of the change from a product economy to a commodity economy. We should not arbitrarily interfere in these things. What we should do is give positive guidance.

The reforms by themselves are a complicated project of systems engineering. We should study them by regarding them as a branch of learning. At present, we need to make more in-depth investigations and study the behavior and the interests of various economic entities and the social effects of various policies and measures. This will help improve our economic management and ensure that we can make decisions more scientifically and can see the future more clearly.

RENMIN RIBAO ON USE OF DECISION-MAKING POWER

HK030415 Beijing RENMIN RIBAO in Chinese 1 Apr 85 p 1

["Weekly Forum" by Dai Yuqing: "The Two Sides of 'Decision-Making Power'"]

[Text] "We wanted power when we did not have it; but when we have it, we worry about how we should use it." Such a mentality is rather widespread among enterprise leading cadres. But what are they actually worrying about? Now that we have decision-making power, we shall have to use it, and to issue orders and commands. But are these orders in conformity with, or do they run counter to the spirit of the central authorities? Often we are not so sure about it. For instance, giving everyone a Western suit at public expense, distributing free lunches, issuing lotteries, and so on were all "brand new things" at the beginning, so should we have tried them? Things were comparatively easier to handle in the past; all you had to do was to send a report to the higher authorities and wait for an instruction. But now, with decentralization, the higher authorities cannot go into the details of everything; besides, it is out of the question for the higher authorities to draw up a policy and to draw a demarcation line between right and wrong before any problem actually crops up. One has to make the decision all by oneself on whether to do something or not. Some people have done those things mentioned above, and by today's standards they seem to have committed mistakes; and those who have not done them are right; but this can be quite by chance -- if we have not gone wrong this time, there is still no guarantee of avoiding making mistakes in the future. Therefore, some people say that decision-making power is like a hot potato in the hand-- you would not want to part with it, but it is so hot to hold.

Decision-making power is itself something with two sides. With it, one will have greater chances to render meritorious service, but, at the same time, greater chances to commit mistakes. Those who are very conceited only think that decision-making power enables them to do big business, and they have been unscrupulous in using it, so failures are sometimes unavoidable for them because they have abused that power. But those who have an inferiority complex only see the disasters decision-making power might lead to, which hampers their initiative, and they end by achieving nothing. We should be bold at using decision-making power, but at the same time be meticulous in doing so. The situation of reform has developed very rapidly with brand new things emerging one after another. As we all lack experience, it is necessary for us to be very careful in probing our way ahead. When the party Central Committee said that "We must be meticulous in our first battle, and do our best to ensure its success," it has precisely foreseen the two sides of things. Comrades at the grass-roots unit should more often weigh the decision-making power in their hands, and they should be aware that the greater the power they have, the more they should conscientiously restrict themselves, and they should by no means act rashly.

To correctly restrict oneself means to abide strictly by the law, orders issued by the government, and party discipline, and these are the rules in the period of reform. Some people have neglected this, and all they want is "decentralization" and "loosening the bonds," going so far as to regard party discipline, and the laws and decrees of the state as ropes that have bound them, and to regard acts violating the law as exercising their "decision-making power." Thus mistakes are unavoidable. But there is another case: In the course of reform, the old rules and regulations have been abolished, while the new ones are not complete and perfect, which has resulted in a "vacuum," and some comrades who have wanted to act according to rules and regulations find it embarrassing. Some of these people can find no other way but to conform to the general trend and follow suit when others are buying Western suits at public expense, and distributing free lunches and so on. This is another reason to explain the spread of unhealthy tendencies.

In the course of abolishing outmoded regulations and irrational practices and establishing the new, sometimes it is difficult to avoid a "vacuum." In order to make fewer mistakes and to do one's best to avoid making mistakes at a time when there are no regulations to abide by, a leading member needs to have a very high level of ideological consciousness and the ability to judge what is right or wrong: He will go in for whatever undertakings are favorable to the prosperity of the country and people, and will resolutely refrain from any undertaking which is favorable to an individual or a small collective but which will injure the fundamental goal. Here, we might as well review the character "quan" [2938], which means "power" in modern Chinese, and find that it is derived from the same ancient Chinese character meaning "the sliding weight of a steel-yard used to achieve balance for the exact measurement of the weight of things." ("History of the Han Dynasty, in Part One of the History of the Law and the Calendar") When the interests of two things are put on a balance, we give priority to the weightier. If you weigh the interests of the state and people against the illegitimate interests of the small collective and personal gains, you will find that the interests of the former outweigh the latter. It will not be too difficult to correctly apply decision-making power if we do this.

LIAOWANG URGES MAINTAINING PARTY SPIRIT

HK290807 Beijing LIAOWANG In Chinese No 11, 18 Mar 85 p 4

[Commentator's article: "Communist Party Members Must Pay Attention to Party Spirit"]

[Text] Our country's economic and political situation has been good indeed since the 3d Plenary Session of the 12th CPC Central Committee. An encouraging trend of continued, steady, and balanced economic growth has been emerging. The livelihood of urban and rural residents is constantly improving and the political situation characterized by stability and unity has been developed steadily. This is the result of reform, the open-door policy, and the drive to enliven the economy, a sound basis for our further efforts, and the mainstream of the current development.

However, in the course of the development of this excellent situation, we have also encountered tremendous obstacles: Many localities and departments are faced with new unhealthy tendencies and multifarious evil practices. As the saying goes: "A void invites the wind -- weakness lends wings to evil practices." All the current emerging unhealthy tendencies can be attributed to the fact that some people (departments and units) are seeking private interests by taking the opportunity of the reform. The following are the main manifestations of these unhealthy tendencies: Direct involvement by party and government institutions and cadres in business and enterprise operations; arbitrarily raising commodity prices; the illegal resale of imported goods and materials that the state is currently short of; arbitrarily distributing bonuses, articles, and lottery tickets; promoting staff members without observing normal procedures; spending public funds without restraint in banqueting and presenting gifts; and so on. Meanwhile, formalism and tendency to boasting and exaggeration have also begun to gain ground. To a certain extent, these unhealthy tendencies have interfered with economic construction and the ongoing reform and have spread ideological confusion among some cadres and masses.

The very root cause of these unhealthy tendencies lies in the lack of party spirit on the part of some CPC members and cadres, both new and veteran. CPC members must attach importance to party spirit, in other words, they must unreservedly implement the party Constitution; put the interests of the party and the people before everything, subordinate personal interests to the interests of the party and the people; be the first to bear hardships and the last to enjoy comforts and work selflessly for the public interest; and conscientiously observe discipline.

Some CPC members do not try their best to fulfill the requirements set by the party Constitution but seek personal, partial, and local interests at the expense of state interests; they do not carry out the central authorities' policies and plans concerning the pricing and wage system but act against the economic reform; they make use of their official power to seek personal interests and infringe upon the interests of the state and the people; and they refuse to enforce orders and prohibitions promulgated by the state. These party members are degenerating bit by bit! Those who are involved in these currently emerging unhealthy tendencies not only violate the principle of party spirit but also social ethics, but they also have benefitted themselves at the expense of others. Party discipline and social ethics can not tolerate CPC members engaging in these evil practices.

It must be particularly pointed out that we must conscientiously observe the laws of value and apply them to the operation of our socialist planned economic system, with the aim of giving full play to the role of these laws in regulating production, speeding up production, improving economic results, and increasing the material wealth of society. While doing so, we must resolutely prevent the principle of the exchange of commodities from being introduced into the political life of our party. We can never treat principles, honor, and even personality as commodities. We must continue to overcome "leftist" ideological influence, to import advanced technology and equipment, and to learn advanced management systems, methods, and experiences from capitalist countries. However, we must also make sure that the capitalist standard of value which regards "money as everything" is not introduced into our country. The CPC's steadfast goal is to build socialism and communism in China. This goal has not changed and will never be changed. While building up a vigorous socialist economic system, we are to build a good party and turn our party's institutions at all levels into organizations characterized by healthy work style, strict discipline, and the spirit of wholehearted service to the people, organizations which will serve as the strong core of leadership of the whole Chinese people in their struggle for the four modernizations.

The currently emerging unhealthy tendencies are very harmful to our party style and will interfere with and hinder the current reform of the economic structure. We must not lower our guard against them. However, these unhealthy tendencies are merely an adverse current against the great reform process which is surging forward. One should never exaggerate their influence since they are not the product of the reform itself and can not possibly reverse the direction of the reform. We must stay cool-headed. The currently emerging unhealthy tendencies are nothing to be afraid of. We are bound to overcome these evil tendencies as long as all our comrades in the party clearly see the perniciousness of these tendencies, make up their minds to eliminate them, and do away with such corrupt practices as violating party spirit, principles, party discipline, and state laws in order to save the face of one's friends or do them favors.

The 1984 statistical report on economic and social development has been published. With a series of figures, the report has convincingly displayed the splendid economic results and marvellous growth rate that our country has achieved through economic readjustment and reform. Inspired by this excellent situation, we are bound to overcome the emerging unhealthy tendencies and push the reform forward at full speed. China will forge ahead. We firmly believe that the year 1985 will witness greater successes!

RENMIN RIBAO ARTICLE ON LITERARY CRITICISM

HK280654 Beijing RENMIN RIBAO in Chinese 18 Mar 85 p 7

[Article by Dan Chen: "Talking About the Joys and Sorrows of a Literature and Art Critic"]

[Text] Literary criticism has a rather bad reputation. Often people do not even think about it, and only at a particular time will it become an important or lively topic, which occurs when a so-called "erroneous trend" emerges in literature and art circles. Literary critics will then become some kind of "sentinel" or "fire brigade" to "maintain order" in an emergency, in response to the call to strengthen literary criticism and organize the rank and file of literary critics. I have been a literary critic for many years, and it always gets on my nerves whenever such a situation occurs. I have never wanted to become a target of such "sentinels," nor have I ever wanted to make others a target. Literary critics are simply engaged in literary criticism, pure and simple. It is a decent profession, with little difference from that of a worker, peasant, teacher, or doctor. The spiritual labor of literary critics should be respected rather than arbitrarily mocked, ridiculed, and looked down upon. Moreover, their work should not be associated with things belonging to quite another sphere, such as public security, crime, and political struggle. However, the incidence of literary criticism receiving blame and incurring problems because of theoretical issues has been far greater than in other professions in the past.

It is impossible to give a clear explanation in a few words when attempting to trace the origin of the above phenomena. I think there is at least one point we can be sure of though, namely, a considerable number of people do not really understand the nature and tasks of literary criticism. They regard literary criticism as a major cause of struggle in literature and art circles. Literary criticism has been regarded as a sentinel, trumpeter, signboard, booklet of directions, consumers' guide, work report, and more, but it is rarely clearly understood or explicitly acknowledged as a branch of science which has its own particular objects and tasks for study. Literary criticism is a branch of science which studies the internal relations of all kinds of literary and artistic phenomena, drawing historical comparisons, doing research, making summations, and exploring the specific laws that govern the development of literature and art. This branch of science occupies an indispensable place in the sphere of literature and art, and plays a key role in improving and developing literary and artistic undertakings. In this regard, even Pushkin, who lived more than a century ago, pointed out: "Criticism is a branch of science." He went on to say: "Criticism is a branch of science that reveals the beauty and shortcomings in literary and artistic works." As literary criticism is a branch of science, it has its own laws to be discovered and explained and its own theoretical system. This involves creative theoretical thought. Such arduous spiritual labor requires a firm cultural grounding in literature, philosophy, history, life experience, deep thought, and original ideas. Belinsky said: "The criticism of great works of literature is no less important than the works themselves." This is not exaggeration. We should by all means censure specific mediocre and poor works of literary criticism, and criticize those critics who lack artistic quality, have not made any discoveries, nor possess any original ideas of their own, as is done with literary and artistic works and in other spheres. However, there is no basis for us to take an attitude that humiliates the entire branch of literary criticism, refusing to acknowledge the achievements and progress made in literary criticism over long years and placing all the blame on literary criticism without making any concrete analysis of the abnormal phenomena which have nothing at all to do with literary criticism. Such abnormal phenomena are the negative side of our social life, a matter that is worthy of reflection and understanding from all.

In my opinion, the training of a worthy literary critic seems to be more difficult than that of a specialist in any other profession. A genuine literary critic should build up his own independent theoretical system. Such a system is based on the accumulation, absorption, and transformation of the ideas and theoretical wealth of numerous predecessors, yet it has strong characteristics and comparatively integral ideas of its own, leading to the formation of certain principles and doctrines. Such theoretical systems on literature and art and literary critics have so far failed to make an appearance in China. Therefore, even individual discoveries and original thoughts by many literary critics engaged in literature and art theory have not come easily. They are worthy of our attention and should be cherished. The creation and achievements made in this field have been considerable in recent years. Engels remarked: "Every new discovery, no matter in which branch of theory, would make Marx happy, even if its practical application was still difficult to be foreseen." In the past, however, we could not handle any different view. These would be regarded as heretical and would be smothered. Jiang Qing and her kind held that a few existing articles would be quite enough to guide us for decades and even centuries. Such ignorance has proven that they regarded social life as stagnant and theory as some rigid dogma. Under such ideological domination, there could not possibly be any theorists who had original ideas.

Therefore, it is all the more important and pressing to genuinely understand that literary criticism is a branch of science and to encourage and protect the creative labor of workers engaged in literature and art theory, as our social life today undergoes great changes and as rich and colorful literary and art phenomena continue to emerge. Thus, the proposal of "freedom of literary criticism" will have unfathomably great historical influence. I well remember that 4 years ago I was regarded as a heretic because I had written an article on building genuinely free literature, and I became a target for attack. Now, at least, we are able to talk without restraint about "freedom of creation" and "freedom of literary criticism." What a great change! In regard to this, I am fully confident of the free development and great progress of the science of literary criticism.

GUANGMING RIBAO ARTICLES DEBATE ECONOMIC ISSUES

Application of Economic Levers

HK280805 Beijing GUANGMING RIBAO in Chinese 17 Mar 85 p 3

[Article by Tong Fuqian: "Principles for Comprehensive Application of Economic Levers"--capitalized passages published in boldface]

[Text] The economic levers we often mention mainly refer to economic means of influencing and readjusting social production, exchanges, distribution and consumption. They include tax revenue, financial allowances, bonuses, credits, interest rates, wages, prices, and so on. Judging from economic practice in foreign countries and from our national conditions, we know that to comprehensively apply the above-mentioned economic levers, we should, at least, observe the following principles:

1. WE SHOULD APPLY IN A SELECTIVE WAY ECONOMIC LEVERS THAT ARE IN ACCORDANCE WITH THE NEEDS OF ECONOMIC DEVELOPMENT.

The present socialist planned economy in our country is carried out under the condition of the extensive existence of commodity production and commodity exchanges. Therefore, to carry out a planned economy, we should not only observe the socialist basic economic law, but also rely upon and consciously make use of the law of value, and various economic levers. However, there are various kinds of economic levers which can be made use of. If we fail to make use of them in a selective way, this will inevitably harm our economic development.

To promote a healthy development of the national economy, we should make use of economic levers in a selective way in light of the different requirements of different periods. For example, when the economy is on the upsurge, the state may adopt methods such as increasing tax, reducing financial allowances, raising interest rates, and others to prevent "overheated" economic development. During the period of economic difficulties, the state may make use of economic means such as reducing tax for enterprises, increasing financial allowances, lowering interest rates, and other ways to stimulate a steady economic recovery.

2. WE SHOULD RATIONALLY COORDINATE THE USE OF VARIOUS KINDS OF ECONOMIC LEVERS.

Various kinds of economic levers are interrelated and conditioned by each other. They can simultaneously play their own role, or mutually impede each other. A certain economic lever might play a greater role in production, whereas some other economic levers might play greater roles in circulation. Therefore, we face a problem of rationally making use of various kinds of economic levers. Price and tax revenue can play the role of readjusting the relations between supply and demand, and distributing profits. However, generally speaking, the price lever is mainly used for readjusting the relations between supply and demand whereas tax revenue is mostly used for readjusting the distribution of profits. The result of making use of these two economic levers independently might not be good. If we make use of them in a coordinated way, they will give full play to their regulating roles. For example, some Western countries, to attain the aim of encouraging production and stimulating consumption, usually employ the method of increasing prices first, and reducing tax later. To attain the purpose of curbing production and consumption, they usually adopt the method of reducing prices first, and increasing tax later. It is obvious that these methods and measures are worth learning from.

3. WE SHOULD MAKE USE OF ECONOMIC LEVERS TO INTEGRATE PLANNED MANAGEMENT WITH THE EXPANSION OF THE DECISION-MAKING POWER OF ENTERPRISES.

Making use of economic levers to carry out planned management and the expansion of the decision-making power of enterprises are two aspects of one problem. On the one hand, according to our existing planning system, we usually bring all economic activities into line with state planning by solely relying on administrative means. In so doing, we will inevitably neglect the regulating role of economic levers. For example, wages cannot be used to readjust the flow of labor force, and credits cannot be used to readjust industrial structure and distribution of labor force. Therefore, our purpose in reforming the planning system is to ensure that our planning system conforms with the nature of the socialist commodity economy, and the objective requirement of the law of value, and that various economic levers will automatically play their own role of readjusting the economy. However, on the other hand, making use of economic levers to carry out planned management cannot be separated from the economic reform of enterprises under public ownership. At present, our state-run enterprises are not yet economic entities with independent economic interests. Due to the lack of decision-making power for production and management, they are not able to give play to the regulating role of economic levers. Giving play to the regulating role of every kind of economic lever will change the production and management of enterprises. For example, tax cuts might stimulate enterprises to make investments, and reducing prices will impede the development of production, and so on.

It is obvious that only by giving enterprises more decision-making power for production and management can we ensure that enterprises voluntarily accept regulation by economic levers. In a word, making use of economic levers to carry out planned management does not conflict with expanding decision-making power of enterprises. To make use of economic levers to reform the planning system, we should give enterprises more decision-making power for production and management. Only in so doing can we achieve greater results in the reform of the planning system.

4. VARIOUS FUNCTIONAL DEPARTMENTS SHOULD MAKE CONCERTED EFFORTS TO MAKE USE OF ECONOMIC LEVERS

Only by arousing the enthusiasm of various quarters can the national economy, as an organic whole, give the fullest play to various economic levers. For example, while carrying out the reform of price system, some people advocate that prices be set on the basis of the changing form of value, that is, production price. Facts have proved that this is an effective method for carrying out the reform of price system. When setting prices on the basis of production price, if the increase of prices of some products is higher than originally estimated, that excess part should be turned over to the state by adopting the method of levying taxes. If the prices are lower than estimated, that lower part should be offset by adopting methods such as tax reduction, financial allowances, and so on. However, if various functional departments fail to coordinate their efforts, this will not be beneficial to the reform of the entire price system. This is because in the process of reforming the price system, we should give play to the role of various economic levers such as prices, taxes, financial allowance, and so forth. In the meantime, the role which various different economic levers play is also different in terms of degree, operating time, and obstacles they encounter. Therefore, while making use of economic levers to regulate economic activities, we should coordinate the role of various levers. In addition, various functional departments should also make concerted efforts. In particular, comprehensive economic departments should play their leading role. Only thus can various levers play their role more effectively.

5. WE SHOULD MAKE USE OF ECONOMIC LEVERS TO STRENGTHEN THE WORK OF ECONOMIC INFORMATION, FORECAST, AND ECONOMIC LEGISLATION.

To enliven economy, we should, on the one hand, readjust our original plans according to the change of market demand, and strengthen the work of collecting economic information and making forecasts. On the other hand, to give play to the role of economic levers, a guarantee based on economic legislation is needed. Otherwise, we will not be able to attain our aim of effectively readjusting economic development. Therefore, with the steady development of the national economy, to comprehensively make use of various economic levers, it is necessary for us to promptly collect economic information concerning production, construction, science, technology, market demand and supply, and other things. We should also keep abreast of the economic trends both at home and abroad, and do the work of making middle- and long-term economic forecasts. In addition, economic legislation such as enacting planning law, price law, investment law, and others is also needed in order to strengthen legal work in the economic field, and carry out economic supervision. Only by closely integrating economic information, middle- and long-term economic forecasting and economic legislation with various economic levers can we give play to the role of economic levers more effectively, and promote a coordinated development of the national economy.

Planned, Commodity Economy

HK030721 Beijing GUANGMING RIBAO in Chinese 24 Mar 85 p 3

[Article by Song Yangyan: "Another Discussion on the Relationship Between Planned Economy and Commodity Economy -- in Answer to Comrade Liu Xulin"]

[Text] Comrade Liu Xulin published an article in GUANGMING RIBAO on 24 February to discuss something with me. I would like to question the validity of his argument and his grounds for argument.

The main argument of Comrade Liu Xulin's article is that the relationship between planned economy and commodity economy "is not one between form and content" but "a unity of opposites." And to expound this argument, he puts forward three grounds for argument. I think they are open to discussion.

The first ground for argument in Liu's article is: "Content and form are a pair of philosophical categories with precise meanings. Their relationship is that content determines form and form reacts on content." Usually, there is a relationship between form and content in the existence and motion of all things. However, this relationship has different manifestations in different things. The relationship between form and content cannot be perpetually and invariably explained with a fixed pattern. The relationship between planned economy and commodity economy should not be approached with some outworn viewpoints either. Comrade Liu Xulin says that planned economy is determined by socialized mass production and the system of public ownership, and not by commodity economy and, therefore, the relationship between planned economy and commodity economy is not one between form and content. I think it is inappropriate to simply take the relationship between the "decider" and the "decided" as the only seemingly "definitive" explanation of the relationship between form and content. In fact, the primary reason for my regarding the relationship between planned economy and commodity economy as one between form and content is that since the socialist economy is a commodity economy, under ordinary circumstances, all socialist economic activities, including production, distribution, exchange, consumption, and so on, belong to the activities of commodity economy. If planned economy, which takes people's economic activities as its target, from the formulation, implementation, and ultimate fulfillment of a plan, does not take commodity economy as its content, what does it take as its content then? How can a plan which does not take commodity economy as its content be called an economic plan or a planned economy?

Strictly speaking, the word "economy" in the socialist planned economy embraces commodity economy. Since commodity economy is the content of planning and since all activities of commodity economy should be carried out through planning, planning itself should naturally exist as a form of commodity economy. In my view, therefore, even if we are not particular about their relationship as one between the "decider" and the "decided," we can logically show that their relationship is one between form and content.

The second ground for argument in Liu's article is: Planned economy is not an objective requirement of commodity economy "but a form of realizing the objective necessity of the proportionate distribution of social labor under socialist conditions." According to the traditional viewpoint, this proposition is undoubtedly correct. However, if we make a somewhat detailed examination of this proposition, we can see that it is neither complete nor precise. Although the proportionate distribution of social labor is something that the planned economy should realize, nevertheless, we should not substitute the part for the whole.

In truth, planned economy is aimed at realizing the entire process of the socialist commodity economy activities and not purely the distribution of social labor. Broadly speaking, the content to be realized by the planned economy also includes some readjustments and changes in the relations of production for the development of the socialist commodity economy, as well as the rational deployment, renovation, and revolution of the various factors of the productive forces. It is even more necessary to note that the proportionate distribution of social labor is an important "function" of the law of value, as well as its role, and this "function" should naturally be included in the socialist commodity economy and not dissociated from or set against the commodity economy. There, as a form reflecting one aspect of the proportionate distribution of social labor, planned economy is bound to exist in the content of the socialist commodity economy. In the face of such a clear truth, how can we say that planned economy is not a requirement of the socialist commodity economy?

The third ground for argument in Liu's article is: The relations of production as reflected by planned economy and commodity economy are different and, therefore, the material interests reflected by them are also different. What difference is there? He says that planned economy reflects "a new type of relationship, in which the fundamental interests of people coincide on the basis of public ownership" and that commodity economy only reflects "relatively independent material interests." While intentionally or unintentionally exalting planned economy, this remark has belittled commodity economy. Since planned economy is a "new type of relationship," is not the socialist commodity economy a "new type of relationship"? In truth, on the one hand, we should not regard planning as representing only "the interests of the society as a whole" because, as a structure or system for managing the economy, whether in the formulation, implementation, or fulfillment of complicated interests as they really are in order to turn it into a feasible scientific plan. At the present stage of socialist development, the three-layer structure of the interests of the state, the enterprise, and the individual worker or staff member also exists even in enterprises under the system of ownership by the whole people. If planned economy fails to appropriately reflect the interests of the three sectors but one-sidedly stresses the interests of the state, it will be like "drawing water with a bamboo basket," unable to promote any interests. We have suffered a lot on this question. Should we not draw proper lessons from this? On the other hand, we should discard various common views on commodity economy. We should not think that commodity economy is operated for the sake of, or with the aim of satisfying, certain "private interests." It should be noted that here we refer to the socialist commodity economy and that hundreds of thousands of socialist collectives, large and small, engage in these commodity business activities, which are aimed at satisfying their own needs and also, in a certain sense, the needs of society. It should also be noted that developing commodity economy is an indispensable stage in the development of the socialist economy and is a necessary condition for modernizing our country, rejuvenating the Chinese nation, and promoting the great and eternal cause of socialism. How can we see it as merely reflecting the "material interests" of commodity producers or operators? Strictly speaking, the planned economy itself is not the "embodiment" (and direct reflection) of the interests of a specific or several sectors; it is the commodity economy that can genuinely and directly reflects the economic interests of all sectors. Under the conditions of the planned commodity economy, the various interest relationships embodied in the commodity economy are reflected and realized through planning.

By and large, although Liu Xulin says that the relationship between planned economy and commodity economy is a "unity of opposites," his article gives the impression that, essentially speaking, there seem to be only "contradictions" without "unity." Is there any difference between this and the previous traditional formulation?

Monist Viewpoint on Economy

HK010409 Beijing GUANGMING RIBAO in Chinese 24 Mar 85 p 3

[Article by Yin Wenshu: "Further Discussion on the 'Planned Commodity Economy' Monism"]

[Text] In his article entitled "Monism of the 'Planned Commodity Economy,'" which was published by GUANGMING RIBAO on 3 March 1985, Comrade Hu Peizhao attributes the existence of commodity production in socialist society to the underdeveloped condition of the means of calculation. It seems that the modernization of the means of calculation will automatically lead to a diminution of commodity production. This viewpoint fails to seek the reasons for the existence of commodity production in socialist society from economic factors, but merely regards it as a technological matter. So it is more retrogressive than the dualist viewpoint, which explains the existence of the planned economy and the commodity economy by enumerating the two economic factors, namely, the "difference in material interests" and the "identity of fundamental interests."

In my opinion, to understand and explain the "planned commodity economy" from a monist viewpoint, the key lies in having a correct understanding of the reason for the existence of socialist commodity production and its characteristics. For commodity production in general, there must be two basic conditions under which a product of labor can be turned into a commodity: First, it must have no direct use value for its possessor; and second, the products of labor which have no direct use value belong to different possessors. These two conditions constitute the objective foundation for the existence of the commodity economy. They are the general economic conditions for all commodity economies, including the simple commodity economy, the capitalist commodity economy, and the socialist commodity economy. So they represent the general character of the commodity economy. However, the general character does not blot out the specific characters of things but must exist in the specific characters. So it is not the general character that differentiates the simple commodity economy, the capitalist commodity economy, and the socialist commodity economy from one another. Instead, it is their specific characters that differentiate them from one another. That is, they are based on different objective foundations. The objective foundation is the ownership system with regard to the means of production. The simple commodity economy is based on the laborers' direct possession of the means of production; the capitalist commodity economy is based on the capitalists' private possession of the means of production; and the socialist commodity economy is based on laborers' joint possession of the means of production in the scope of the whole society (this refers to the relations of production in the dominant position). From the viewpoint that the general and specific characters of a thing existing in unity, we can see that the objective foundation for socialist commodity production lies in the social division of labor and the direct possession of products by different producers on the basis of public ownership of the means of production, or more accurately, the partial possession of products by different producers. In the final analysis, the fact that different laborers enjoy partial possession of products on the basis of public ownership is determined by the special conditions of the productive forces in socialist society and by the differences in material interests of various laborers and enterprises. This is the economic condition for the existence of a socialist commodity economy. Because of the social division of labor, products have no direct use value for the producers; because the producers are partial possessors of the products, the use value of the products can be realized only by means of commodity exchange. The public ownership system not only determines the character of this kind of commodity production, but also makes it possible to effect planned coordination and overall control on a social scale.

The partial possession of products by different producers on the basis of public ownership of the means of production not only constitutes the objective foundation for the existence of socialist commodity production, but also represents the fundamental characteristic of socialist commodity production, thus differentiating it from commodity production in other forms. Other characteristics of socialist commodity production are also derived from this basic characteristic. At the same time, the partial possession of products by different producers on the basis of public ownership, which forms the basic economic condition of socialist society, is also the objective condition on which the socialist planned economy is based. It is the inherent requirement of this objective economic condition that gives rise to the socialist planned economy. Precisely because both the socialist commodity economy and the socialist planned economy are based on the same objective economic condition, they can become two concepts with the same essence in an entity. That is why the special quality of the socialist economy can be expressed by such a scientific concept -- "the planned commodity economy." This concept shows that the socialist planned economy operates in the form of commodity handling, or that the socialist commodity economy must be handled in a planned way.

Unity of Economic Modes

HK020304 Beijing GUANGMING RIBAO in Chinese 24 Mar 85 p 3

[Article by Bai Tuofang: "The Unity of the Socialist Commodity Economy and the Planned Economy"]

[Text] Practice in socialist economy construction shows that the socialist planned economy can set into motion only by adopting the form of value, that is, by adopting the form of relationship between commodity and currency or the form of the commodity economy. Therefore, the socialist planned economy is a planned economy with the commodity as a form of its realization, that is, the commodity planned economy. The socialist commodity economy, however, is bound to be a commodity economy with the planned economy as its essential content, that is, the planned commodity economy. In this sense, the socialist planned economy and the socialist commodity economy are one and the same thing. They are not antagonistic to, or are separated from, each other. Neither are they slapped or put together side by side like two boards. They are integrated into one, namely, the socialist economy. The socialist economy itself is the unity of the planned economy and the commodity economy. In short, it is the unity of plan and value. The essence of this unity is the unity of content and form.

By and large, the planned economy we are implementing is a planned commodity economy. Therefore, the planned character of the development of the national economy is the fundamental nature of China's economic structure; the fundamental principle for organizing social production is the planning principle. However, the historical conditions reflecting the development level of practical social productive forces determine that the planning principles of the socialist economy cannot be realized by adopting the form of the product economy, that is, the production and exchange of commodities except those in the form of value, and that they can only be realized by adopting the form of the commodity economy, that is, the production and exchange of commodities in the form of value. The socialist commodity economy is bound to exist as a form of realizing the socialist planned economy.

However, we should never reverse the above-mentioned proposition by saying that the planned economy is only a form of the motion of the commodity economy. This is because the unity of the socialist planned economy and commodity economy is the unity of the planned character of the integrated body of the national economy, which reflects the essential content of socialist production relations and the form of its realization.

In discussing the content and form of the socialist economy, we should not depart from a fundamental question, that is, the essence of the relations of production under socialist public ownership of the means of production. The commodity economy, which serves as a form of realizing the planned economy, is not a shell of the socialist planned economy either but is a form of realizing the motion of the planned economy by making it full of vigor and vitality. It is a real form with substantial content. Without the content of the socialist planned economy, it is unnecessary to have the form of the socialist commodity economy. And without this form it will also be impossible to realize this content.

There is an essential link of mutual promotion and interaction within the entire socialist production relation, which is formed by various links, such as production, exchange, distribution, and consumption. Fundamentally speaking, this link is a direct social link or a conscious planning link. The socialist commodity economy, which serves as a form of realizing this essential link, is based and dependent on various essential factors of the planned economy, such as the aim of socialist production, the planned character of social production, and the principle of distribution according to work. And these essential factors can only be realized through the form of the commodity economy. Therefore, developing the socialist commodity economy is the inevitable demand for developing the socialist economy. In this sense, the commodity economy, which serves as a form of realizing the planned economy, is also of some essential significance.

The socialist commodity economy exists in both the microeconomic and the macroeconomic spheres. State planning reflects the strategies, principles, and policies of China's socioeconomic development and regulates the structure for the general development of the national economy. For example, the plans for the exploitation of resources, technological transformation, and the development of intellectual resources; the designs for industrial lineup and for the distribution of productive forces; the development plans for the energy, transport, and raw material industries; the production and distribution plans for important products vital to the national economy and the people's livelihood; the proportions between accumulation and consumption funds; the plans for achieving a balance between state revenues and expenditures and between credit receipts and payments; and the targets of production growth by various departments are within the scope of state planning. As a unified process of interrelation among various economic factors, the macroscopic planned economy is a process of achieving a balance between the target structures of material objects and value and a process of maintaining a balance between total social supply and demand in the forms of material objects and value. The unity of socialist plan and value is most clearly reflected here.

It is necessary to fully apply the methods of economic regulation in implementing mandatory planning, and particularly guidance planning, in the planned commodity economy. The methods of socialist economic regulation include various economic levers and policies, such as the policies on budget, taxation, prices, currency amount, loans, and foreign exchange. A given economic policy is pursued by means of a given economic lever while a given economic lever is started by a given economic policy. A given economic policy determines the direction and scope of the role played by a given economic lever. This unified relationship between the socialist economic policy and economic lever is also a manifestation of the unity of socialist planning and value.

Facts show that the so-called formulation of substituting planned management with value management may not be appropriate. Usually socialist planned management should be achieved in the form of value. The process of establishing a planning system of consciously applying the law of value is also one of achieving planned management over the national economy by consciously applying the form of value.

The socialist planned economy and the socialist commodity economy (planned commodity economy) are two concepts reflecting socialist economic features from different angles. In fact, they refer to the same socialist economy. But there is some difference between the content of the socialist planned economy and the form of the socialist commodity economy. The basis of the difference is the peculiarities of contradictions inherent in them, and without these peculiarities there would be no unity between them.

Our country should develop a socialist commodity economy, namely, a commodity economy operating in unison with the planned economy as a form of realizing the latter, and not an independent commodity economy or form departing from the socialist economic conditions. Our country's socialist economy is not one with the attribute of a commodity economy but one with the content of a planned economy and the form of a commodity economy. That is to say, it is a planned economy with the commodity as a form of its realization, namely, a planned commodity economy.

STATE COMMISSION OFFICIAL ON ECONOMIC REFORM

OW021009 Beijing XINHUA in English 0938 GMT 2 Apr 85

["Round-Up: Achievements in Urban Economic Reform" -- XINHUA headline]

[Text] Beijing, April 2 (XINHUA) -- Reforms of the urban economy are making big contributions to national growth, an official at the State Commission for Restructuring the Economy said here today. The official backed Premier Zhao Ziyang's report on government work, delivered at the current National People's Congress session, which said China had made "marked results" in this respect.

The total industrial and agricultural output value of three pilot cities -- Changzhou, Chongqing and Wuhan -- rose by 21.7 percent, 15.4 percent and 12.7 percent respectively last year compared with 1983. Between 1979 and 1984, the amount of tax payment and profit delivery from Shashi, another pilot city, was 240 percent of the total state investment during the period, the official said. Shashi was the first to carry out the reforms, which began in 1979, and the other three cities followed in 1982. Since then 58 others have been experimenting.

Seven of the 58 -- Chongqing, Wuhan, Shenyang, Dalian, Harbin, Guangzhou and Xian -- now enjoy the same administrative power as a province in financial matters. They fulfil state plans, hand over a certain amount of taxes and profits, and are responsible for the organization of their own production, construction and circulation and distribution of products.

The official said the achievements in urban reform could be illustrated in the following three aspects:

One was the expansion of the decision-making power of enterprises, from control of distribution to production, management, marketing, pricing, personnel, wages and the use of funds. Many trades were now involved in the reform experiment, from heavy industry to construction, commerce, transport and service trades.

To make effective use of their newly-acquired powers, enterprises in these cities had introduced a system under which the factory director assumed full responsibility in matters concerning management, production and personnel. So far, nearly 3,000 of the 5,000 larger enterprises throughout the country had adopted this practice.

In the first year following the introduction of the system at the Fuzhou wire factory, total output value soared to 31 million yuan, and tax payment and profit delivery to 5,648,000 yuan -- up 38.9 percent and 35.6 percent respectively over the previous year. In contrast, the average annual increased rates over the previous 10 years were just 0.79 percent and 0.25 percent respectively. Such enterprises could now import advanced technology from abroad, establish joint ventures or cooperative enterprises and independently negotiate and sign contracts with foreign businesses.

The second aspect was the development in inter-departmental and -regional relationships, the official said. More than 17,000 contracts were signed between provinces last year -- double the 1983 figure. One organization that broke down the barriers between trades and localities was the China Chemical Industry Association. It consists of 31 bureaus and companies in 28 cities throughout China, under which are specialized cooperative networks, which take care of marketing, foreign trade, science and technology and environmental protection and other operations. Last year, the total output value of the chemical industry in the 28 cities was up by 12.7 percent over 1983, and tax payment and profit delivery rose by 18.6 percent. Over the same 12 months, national figures were up by only 8.7 percent and 10.9 percent respectively.

A third aspect was the development of specialized trade centers of various kinds. The official said incomplete figures showed there were now more than 130 such centers across the country, trading products not included in the state plans, such as cars, rolled steel, timber and metal products.

ANHUI'S HUANG HUANG SPEAKS AT MEETING ON BANKING

OW021437 Hefei ANHUI RIBAO in Chinese 16 Mar 85 p 1

[Excerpts] According to an ANHUI RIBAO dispatch, the Propaganda Department of the provincial CPC Committee, the provincial banking society, and the lecture group under the provincial CPC Committee held a discussion meeting from 5 to 7 March on theories to "bring into full play the role of banks as a lever and help invigorate Anhui's economy." More than 80 people attended the discussion meeting including workers in Anhui financial circles and some scholars in the field of social sciences. Present at the meeting were Huang Huang, secretary of the provincial CPC Committee; Niu Xiaomei, member of the Standing Committee of the provincial CPC Committee and director of the Propaganda Department of the provincial CPC Committee; Ding Ting, deputy director of the Propaganda Department of the provincial CPC Committee; and responsible comrades of the provincial people's bank and other specialized banks and of the lecture group of the provincial CPC Committee.

Comrade Huang Huang delivered a speech at the beginning of the meeting. He said: Financial work now plays an even greater role in the national economy. Our task has become more arduous than ever before. So far as Anhui is concerned, we have favorable conditions in developing our economy; however, we too have some restrictive factors. Whether we can solve these problems depends on our success in doing our financial work.

Huang Huang said: To carry out our financial work well, we must deepen our study of financial theories. If we cannot solve theoretical problems, we will lack the theoretical foundation for carrying out reforms in banks and working out our financial policies. It would be difficult for us to solve many practical problems. In studying financial theories, we must pay full attention to raising and using money, and study how to extensively raise money for construction in the international as well as domestic markets. We must bring into full play the role of credits and loans as well as the interest rate as a lever to strengthen the circulation of funds and improve economic results. As a theoretician or a practitioner, one must further emancipate one's thought, continue to uphold the principle of seeking truth from facts, try one's best to invigorate Anhui's economy, and make still greater contributions to helping enliven Anhui's economy.

The comrades attending the meeting held: In order to invigorate financial work in the province and help promote Anhui's economy, we must first of all eliminate the influence of "leftist" ideas and emancipate our thinking. Under the guidance of the principles and policies laid down by the party and the state, we must boldly carry out any practice that is conducive to developing commodity production, to promoting technical progress, and to enlivening the economy. Particular efforts must be made to open up new vistas in obtaining and using loans. It is necessary to use all kinds of methods such as creating trust funds, operating rental businesses, issuing stocks and bonds, and allowing a discount on promissory notes to help existing industrial and commercial establishments develop technical innovations, support tourism and catering services; and develop culture, education, and public health. At the same time, we must effectively support the collective economy as well as individual economy, and implement the guideline of pooling the efforts of the state, the collective, and the individuals.

FUJIAN LEADER ADDRESSES COURT PRESIDENTS' MEETING

OW020721 Fuzhou Fujian Provincial Service in Mandarin 1130 GMT 1 Apr 85

[Text] A provincial meeting of court presidents ended in Fuzhou on 30 March after a 6-day session. The meeting pointed out: Courts at all levels in Fujian did a great amount of work in the trial of criminal, civil, economic, and forest cases last year. They have contributed to safeguarding the socialist legal system, punishing criminals, protecting the people, and ensuring and promoting economic reform and construction.

The meeting asked courts at all levels in the province to resolutely crack down on serious crimes, including economic crimes. It asked them to crack down in accordance with the law on major economic cases involving large sums of money and having damaging effects on economic reform.

Hu Ping, secretary of the Fujian Provincial CPC Committee and governor, attended and addressed the meeting. He said: The work of the court is very important. We cannot do without the law in opening us to the outside world or in reforming our economic structure. The court should actively orient its work to meet the needs of economic construction and to ensure the opening to the world and the enlivening of our domestic economy.

Comrade Hu Ping emphatically concluded: Governments should support court work and should guarantee that the courts' needs in handling cases are met. They must guarantee funds for necessary legal construction.

HU HONG ATTENDS FUJIAN MEETING ON PARTY HISTORY

OW010305 Fuzhou Fujian Provincial Service in Mandarin 1130 GMT 30 Mar 85

[Text] The Fujian provincial work conference on party history, which closed on 30 March, called on party committees at all levels to further strengthen leadership over party history work, pay attention to collecting and compiling data of party history and strive to create a new situation in Fujian's party history work.

Hu Hong, permanent secretary, and Cheng Xu, secretary, of the provincial party committee, attended the conference.

Comrade Cheng Xu spoke at the conference. He said: Party history work is important. It is also an urgent task. History has entrusted to us the task of collecting and compiling data of party history. All localities and departments should pay attention to doing this work well and in a timely manner. All party history workers in the province should follow a correct guiding thought for vocational work to cultivate the attitude of a man of enterprise toward party history work and make diligent efforts in the interest of the science of party history.

Comrade Cheng Xu also relayed to the conference the recent decision made by the Standing Committee of the provincial party committee. The decision emphasized that party committees at all levels should include party history work in their agenda and assign a secretary or a Standing Committee member to take charge of the work. All prefectures and counties should establish a commission and an office staffed with enough personnel for the collection and compiling of party history data.

EXCESSIVE MEETINGS AFFECT HUBEI RECTIFICATION

Letter Points Out Problems

HK020701 Wuhan Hubei Provincial Service in Mandarin 1100 GMT 31 Mar 85

[Text] (Zhang Shuzheng), a reporter of this station, recently wrote a letter, reporting: The second group in our province is now universally unfolding party rectification. However, as upper levels have had too many meetings, the unfolding of party rectification work at grassroots levels and industrial and agricultural production have been affected.

The letter reports: In the 55 days from 15 January when party rectification began in Huanggang Prefecture to 10 March, prefectural subordinate units at and above the bureau level attended 173 meetings on a total of 1,148 days. Of them 57 units went to the capital of the province to attend meetings and 6 units went to Beijing to attend meetings. Each of 80 meetings lasted over 5 days; each of 14 meetings lasted over 10 days; 5 meetings each lasted over 15 days; and 4 meetings lasted over 1 month. A total of 315 people attended these meetings of whom 104 were cadres of departments, offices, and committees who were at and above the bureau level.

The letter says: At present, upper-level meetings are too numerous, too long, and on too large a scale. Since party rectification was carried out, 27 persons of the prefec-tural finance bureau have attended 11 meetings held by provincial counterpart units. Of them, the bureau director and deputy directors have attended 5 meetings, division heads and deputy heads have attended 16 meetings, and 51.9 percent of the total number of party members have attended these meetings. While the reporter was conducting his investigation, 14 party members went to attend meetings in Wuhan and had not yet returned.

The letter says: As upper levels have had too many meetings, party members and cadres have been busy attending the meetings; the unfolding of the party rectification activi-ties at grassroots levels has been affected. Party members and the masses have gener-ally demanded: In the period of party rectification, the number of meetings must be cut to a minimum. Regarding the necessary meetings, it is necessary to lay stress on prac-tical results, to shorten the period of the meetings, and to diminish the scale. The No 1 and No 3 men must not be asked to attend all meetings.

Radio Station Comments

HK020703 Wuhan Hubei Provincial Service in Mandarin 1100 GMT 31 Mar 85

[Text] The situation mentioned by the reporter's letter as broadcast is representative of the general situation. Upper levels have had too many meetings and some leading cadres and party members have attended the meetings for a long time and have become resident representatives at the meetings. Party rectification and work have been adversely affected. Grass-roots cadres have complained of hardship and the masses have had a lot of complaints. It is not good to have too many meetings, an incorrect style of meetings, and long-lasting meetings; large scale meetings have a worse effect.

This is the first year for carrying out an all-round reform of the economic structure. The second group in our province is universally unfolding party rectification work and Document No 1 of the CPC Central Committee has just been implemented. It is now the busy farming season in rural areas, party members and cadres are very busy, and their time is valuable. It is not worthwhile for a large number of cadres to remain at upper levels attending meetings. It should be pointed out that a large number of meetings, long-lasting meetings, and large scale meetings are also one of the expressions of incorrect party style.

We hope that leading organs at all levels will regard cutting the number of meetings to a minimum and correcting the style of meetings as a part of party rectification and reform in all units and will seriously grasp it. It is also hoped that leading comrades of some units will change the method of directing work by merely relying on the holding of meetings and on issuing documents and that they will go out of their organs, will go deep into basic levels, will conduct more investigations and study, and will work in a down-to-earth manner.

HUNAN HOLDS TELEPHONE CONFERENCE ON RURAL WORK

HK021530 Changsha Hunan Provincial Service in Mandarin 0000 GMT 2 Apr 83

[Text] Yesterday evening, the provincial CPC Committee and government held a telephone conference to organize the current work in rural areas.

The conference demanded that all localities further study in depth this year's Document No 1 of the central leadership, readjust the production structure, and properly carry out spring farmwork so as to lay down a good foundation for reaping bumper harvests in this year's agricultural production.

The conference held that there have been good trends in the province's rural areas, with a fairly large readjustment in the internal structure of planting. According to this year's plan, the target for economic crops will increase by 19 percent over last year; the target for jute, bluish dogbane, and castor will increase by more than 100 percent; and that for peanuts, melons, ginger, flue-cured tobacco, and oranges and tangerines will increase by at least 20 to 30 percent. Animal husbandry and the aquatic products industry will also develop fairly rapidly.

The province is planning to transform some 600,000 mu of rice fields into fish ponds and has now started the transformation on 390,000 mu of land, an increase of more than 100 percent as compared with last year. In the first 2 months of this year, the total income of town and township enterprises in the province increased by more than 70 percent over last year. There are now 330,000 combined enterprises and individually operated enterprises in the province.

However, it is necessary to pay attention to some existing problems.

The main problems are: Some units have failed to resolutely propagate and implement Document No 1 of the central leadership and have failed to take effective measures to readjust the production structure; contracts on the purchase and sale of agricultural products have been signed slowly; and preparations for spring sowing have not yet been grasped firmly.

The conference pointed out that it is impermissible to propagate and implement Document No 1 perfunctorily and it is necessary to implement the document while propagating it so as to promote current production. All localities and departments, in connection with Document No 1, must examine previous regulations and rules. It is necessary to stop implementing those regulations and rules which run counter to this year's Document No 1. It is necessary to swiftly mobilize the masses to launch a spring farmwork drive and renovate rice fields in quantity and quality. If possible, double-cropped rice should be planted in the fields which are suitable for planting double-cropped rice. Developing animal husbandry and the aquatic products industry should be treated as a breakthrough and the main problem needing to be solved in readjusting the production structure. It is also necessary to firmly establish the idea of fighting against natural disasters to reap bumper harvests and to make various preparations for fighting against flood and drought.

1. 3 Apr 85

P R C R E G I O N A L A F F A I R S
SOUTHWEST REGION

Q 1

ADMINISTRATIVE REFORM BENEFITS SICHUAN'S CHENGDU

OW021212 Beijing XINHUA in English 1140 GMT 2 Apr 85

[Text] Beijing, April 2 (XINHUA) -- A new administrative system being pioneered by Chengdu, capital of Sichuan Province, is helping local authorities to achieve a coordinated development of both the rural and urban economies.

Chengdu's Vice-mayor Chen Zuxiang, 67, said here today that the system was forging new economic links between town and country and enabling city authorities to exercise more effective leadership. He is attending the Third Session of the Sixth National People's Congress in the capital.

The administrative adjustment effected two years ago brought outlying areas under the metropolitan leadership of this cultural and economic center in southwest China. Greater Chengdu now consists of two urban districts, three suburban ones and 12 counties, with a total population of eight and a half million. Before the change, the city and the rural areas were separated by different interests and many places remained closed to each other because of traditional administrative barriers.

The mayor recalled: "It was very difficult for the city to play a central role in organizing production and circulation, and in social development, and this impaired economic growth." Chen said that Chengdu's experiment was providing valuable new experience for the continuing urban economic reforms. The new system, under which the city exercised leadership over neighboring counties, was conducive to the emergence of a large number of small satellite towns and to the formation of various kinds of economic networks. Chengdu City had the advantages of industry and modern science and technology, he said. Its industrial departments included machine building, metallurgy, chemistry, electronics, light industries, textiles and food processing. The city also had a higher proportion of technical personnel among its residents than Shanghai, Chen said. Since the merge, Chengdu's technology and industries had spread to the nearby counties more easily, promoting industrial development in these rural areas. Consequently their total output value had increased by more than four percent for two successive years, Chen said.

Meanwhile, the suburban districts and counties, backed by trade centers in the city, had restructured farm production and actively promoted a diversified economy covering construction, transport, commerce and service trades. Farming now accounted for only 40 percent of the total output, as compared with 60 percent before the adjustment, he said. Many trade centers and wholesale markets for farm and sideline products had been formed in urban districts to facilitate the flow of goods and meet the growing needs of city people. About 70 percent of the small towns around Chengdu now had their own development plans, which were part of the city's overall plan, Vice-mayor Chen said.

YUNNAN CADRES TOLD TO WITHDRAW FROM BUSINESS

HK291024 Kunming Yunnan Provincial Service in Mandarin 1100 GMT 27 Mar 85

[Text] According to YUNNAN RIBAO, on 25 March, the provincial CPC Committee issued a circular urging party and government organs above the county level resolutely to treat curbing new malpractices under the new situation as an important part in straightening out party style and resolutely to curb the malpractice of party and government cadres doing business and running enterprises.

The circular stated that it is necessary to seriously deal one by one with the 629 units where malpractices have been found, to swiftly investigate all facts, and to handle all cases according to their gravity. Those who have sought private interests by taking advantage of their power must be severely dealt with in strict accordance with relevant regulations. Party and government organs and cadres above the county level must give up their titles in various companies and enterprises. Those party and government cadres who have engaged in business or run enterprises should either immediately withdraw from the businesses or enterprises or officially give up their posts in the party or government organs and transfer to work in the businesses or enterprises.

The circular also demanded that all localities and departments should immediately implement the spirit of the circular and report its implementation to the provincial CPC Committee on a timely basis.

XIZANG STATISTICS SHOW NEW ACHIEVEMENTS

HK280415 Lhasa Xizang Regional Service in Mandarin 0500 GMT 27 Mar 85

[Excerpts] On 26 March, the regional statistics bureau issued a communique on the region's national economic and social development in 1984. As a result of 1 year of hard work, the region has scored relatively great achievements in national economic and social development. Total industrial and agricultural output value was 806.51 million yuan, a rise of 14.71 percent, in terms of constant 1980 prices, over 1983. Average net income per peasant and herdsman was 317 yuan, an increase of 46.76 percent over 1983. At the same time, the urban and rural economy prospered, people's living standards showed a marked rise, and great progress was made in building spiritual civilization.

The main problems in national economic development in the region are, as before, lack of communications and transport and energy. There has been no great improvement in these respects. Economic results in the fields of production, construction, and circulation are very poor. There is serious loss and waste.

The communique says: Total agricultural output value in 1984 was 638.18 million yuan, an increase of 16.78 percent over 1983. Total number of livestock at yearend was 21.68 million, a rise of 1.4 percent.

Total industrial output value was 168.32 million yuan, an increase of 7.49 percent over 1983.

The communique says: There was a marked improvement in urban and rural living standards in the wake of the development of industrial and agricultural production. Average net income per peasant and herdsman was 317 yuan, an increase of 101 yuan over 1983. The region rose from 28th in 1983 to 20th last year, among the 29 provinces, municipalities, and regions, in average net income per peasant and herdsman. According to a sample survey of 50 workers households in Lhasa City, on average each person had to spend during the year on living costs, a rise of 96 yuan over 1983.

Living deposits increased. The total figure at yearend was 154.61 million yuan, a rise of 23.16 percent over the end of 1983. This included savings deposits, a rise of 28.91 percent. Peasant and herdsman savings deposits were 35.4 million yuan, an increase of 2.79 percent.

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Investments in urban and rural areas during 1984 increased. The total figure at yearend was 35,400 -- 18.33 percent --

I. 3 Apr 85

P R C R E G I O N A L A F F A I R S
NORTH REGION

R 1

JILIN COMMENTARY ON RECRUITING YOUNG PARTY MEMBERS

SK030500 Changchun Jilin Provincial Service in Mandarin 1030 GMT 2 Apr 85

[Station commentary: "We Should Pay Attention to Developing Party Members Among Collective Enterprises Run by Educated Youths"]

[Text] Recently, the CPC Central Committee has called for efforts to recruit excellent intellectuals and youths into the party. Although we have made some progress in recruiting intellectuals into the party, we have failed to attach due importance to recruiting youths, and youths of collective enterprises run by educated youths in particular, into the party. According to the statistics compiled among the enterprises subordinate to the Jilin City economic commission, the proportion of young party members at or below the age of 25 in the total number of party members is only 1.77 percent, and more than 50 percent of these enterprises has no party member at or below the age of 25.

Youths are the generation that will cross two centuries. They shoulder the heavy historical task of inheriting the past and ushering in the future. Whether or not they have high ideals and aspirations determines whether or not our country will be able to enter the ranks of advanced economic countries in the next century. At present, most of the youths are serving as workers and attendants at industrial, commercial and service trades, and worse still, more than 50 percent of them work in a majority of enterprises that have not begun to recruit young party members, and some of them have not yet established party organizations. Nobody takes an interest in the fact that these youths want to progress, and nobody is willing to train these youths when they want to increase their professions. As a result, some of these youths feel that they seem to be temporary workers with whom nobody is concerned, and even though they want to progress, it is no use. Therefore, we must vigorously recruit party members from among these youths, and rapidly establish and improve party organizations at collective enterprises run by educated youths. We should change the past idea that the purpose of running such enterprises is to settle down the educated youths so that they will not stir up trouble. We should also correct the erroneous idea that the educated youths are dishonest and not reliable. When recruiting youths into the party, we should see their innate character and the main trend, and study and respect the characteristic of the youths of the 1980's. Through the work of developing young party members, we should actually strengthen the ideological and political work among the youths in order to make them a new generation who have high ideals and aspirations and a sense of discipline.

SHANXI PLA REVIEWS CULTURAL REVOLUTION ERRORS

HK030119 Taiyuan Shanxi Provincial Service in Mandarin 2300 GMT 2 Apr 85

[Text] While carrying out party rectification, members of the Standing Committee of Shanxi Military District [as heard] have, in close connection with their state of mind, taken thorough stock of their mistakes during the Cultural Revolution, especially in three supports and two militaries, and seriously summed up the experiences and lessons. They all felt: The lessons and experiences to be absorbed mainly boil down to eight words: read books, eliminate leftism, uphold truth, eliminate selfishness.

Reading books means that we must get a complete and accurate grasp of the scientific system of Marxism, and have a solid theoretical basis. This is essential for party members. Deputy Commander Zhang Hencai said: Although I read some Marxist-Leninist books after joining the party, I did not read them systematically or gain a profound understanding of them. Therefore, I made mistakes during the Cultural Revolution.

Take for instance, the concept of taking class struggle as the key link; when supporting the left, we proclaimed and grasped this wherever we went, thereby inflating the struggle, harming our comrades, and causing unnecessary damage to the party's cause. This was the result of a weakened theoretical basis. In future we must make up for the missed lessons in theoretical studies, and especially the series of principles and policies laid down by the Central Committee since the third plenary session.

Eliminating leftism means thoroughly eliminating leftist ideological influences in our minds and keeping a correct political orientation. This is the key to maintaining unity with the CPC Central Committee. Political Commissar Su Guozhu and Deputy Political Commissar Liu Suchun said: For many years we held that left was better than right. Although we have been eliminating leftism for many years, leftist influences have still not been completely washed away. Through this party rectification, we must heal the internal wounds caused by leftism and dig out its hotbed.

Upholding truth means seeking truth from facts and correcting the ideological line. This is an important guarantee for making a success of revolutionary work. Commander Zhang Guangyou said: For many years I had an unsophisticated feeling of being deeply grateful to Chairman Mao. I thought that everything Chairman Mao said was correct and that I must do whatever he said, without the slightest consideration for the actual situation. I could not distinguish between common and individual nature. As a result I made mistakes in work. I must always remember this lesson.

Political Department Director (Guo Ruben) said: We must not mechanically follow upper-level instructions. We must implement them according to the actual situation. This is the party's ideological line of seeking truth from facts.

Eliminating selfishness means getting rid of individualism and firmly establishing the idea of building a party serving the interests of the people. This is the proper party spirit of party members. Deputy Commander (Li Zhenhua) said: During the 10 years of internal disorder, we felt it wrong when we saw that no smoke was belching from factories and trains were not running on time, but we dared not speak out impartially, fearing that this would bring trouble on our heads. We thought we had better drift with the tide. This obviously was because we were haunted by individualism. With selfishness in our minds, we could not uphold the principles of party spirit.

The standing committee members unanimously declared: In connection with party rectification studies, we must step up tempering in party spirit, resolutely resist and correct various unhealthy trends such as power for private purposes, and be qualified party members.

TIANJIN ECONOMIC WORK CONFERENCE ENDS 1 APR

SK020614 Tianjin City Service in Mandarin 0030 GMT 2 Apr 85

[Text] The municipal economic work conference ended yesterday. The conference implemented the guidelines of the national economic work conference, worked out plans for this year's industrial and communications production work, and discussed, in particular, ways to invigorate enterprises.

The conference pointed out: The industrial and communications fronts should conscientiously implement the guidelines of the enlarged Standing Committee meeting of the municipal CPC Committee, overcome obstructions, strengthen confidence, and promote sound development in reform which is the central link for invigorating enterprises.

The conference put forward that while carrying out reform this year, the municipal industrial enterprises should grasp eight aspects of work well:

1. Expand the scope of experiments in implementing the system that charges factory directors with full responsibility.
2. Realistically expand the decision-making power of enterprises. A company should not withhold power which the state has given to enterprises. The work of general affairs departments should also be reformed accordingly.
3. Further improve the award system. All bonuses issued in 1984 should be handled resolutely and carefully. Bonuses for 1985 should be issued according to economic results. The sources of bonuses must be legal. Taxes should be handed in according to stipulations. While distributing bonuses, we should fully apply the principle of rewarding the diligent and punishing the lazy, widen the difference in wages between various trades and jobs, and strengthen the management of bonuses.
4. Turn companies into vigorous and reliable enterprises.
5. Units where conditions permit may adopt the method of increasing or reducing total wages according to economic results.
6. Continue to invigorate collective enterprises and small state-run enterprises.
7. Conscientiously reform the scientific and technological structures.
8. Actively support lateral economic cooperation; expand cooperation and integration with fraternal provinces and cities, particularly with raw materials producing areas; change the long-practiced closed-door system; and actively help enterprises break the barriers between enterprises of different ownership on the condition that they do not change their subordinate relationships and support them in carrying out lateral cooperation with different trades and regions.

The conference pointed out: Stimulated by party rectification and reform, the production situation in the first quarter was good. We should not slacken our efforts. We should grasp current production well, better organize annual industrial and communications work, strengthen the reserve strength of enterprises, lay a good foundation for this year's development and for the future, invigorate enterprises in the course of reform, and attend to ideological and political work.

The conference stressed: At present, we should take vigorous action, make exportation successful by all possible means, exert efforts to overfulfill the task of creating foreign exchange, enhance the understanding of the importance of increasing export quotas and earning more foreign exchange, never consider exports as a matter of making good omissions and deficiencies, and strive to advance export work and the work of creating foreign exchange under the premise of persistently reforming the foreign trade structure and raising economic results.

GANSU RADIO URGES CONTINUED RESOLVE FOR REFORMS

HK010159 Lanzhou Gansu Provincial Service in Mandarin 2300 GMT 31 Mar 85

[Station commentary: "Tackling Unhealthy Trends Must Not Shake Resolve for Reform"]

[Text] In the previous period, certain people whipped up some unhealthy trends under the pretext of carrying out reform and by taking advantage of loopholes in opening up and invigorating the economy. Certain comrades have misinterpreted this, believing that these unhealthy trends were caused by the reform. They think that correcting these unhealthy trends means that reforms should be retracted and that opening up and invigoration have gone too far.

This idea is completely wrong. The new unhealthy trends are completely different from reform, opening up, and invigoration. The fundamental aim of reform is to develop the socialist productive forces and make the country strong and the people rich. Those people who indulge in unhealthy trends do not shrink from sabotaging production forces and damaging the overall interests of the state and the people for the sake of pursuing the private interests of individuals and small cliques. The various manifestations of the new unhealthy trends are diametrically opposed to the program of reform, opening up, and invigoration. Only by resolutely curbing the new unhealthy trends can we create still more favorable conditions for reform and ensure the healthy development of reform work.

The party organization at all levels must guide the cadres and masses to correctly understand and handle the relationship between correcting unhealthy trends and carrying out reform, resolutely curb the malpractices, strictly enforce orders and prohibitions, unswervingly carry out reform, and fight a careful initial battle so as to ensure victory.

To ensure that tackling unhealthy trends and promoting reforms closely integrate and stimulate each other, we must avoid the leftist methods used in the past, insist on seeking truth from facts, attach importance to investigation and study, and strictly grasp policies. Serious cases and problems incompatible with the principles of party spirit and policy regulations must be resolutely corrected and dealt with as appropriate. Measures and methods that benefit reform and the development of socialist economy must be boldly protected and actively supported.

LANZHOU MILITARY REGION TRAINS PERSONNEL

HK020737 Lanzhou Gansu Provincial Service in Mandarin 2300 GMT 30 Mar 85

[Summary] Lanzhou Military Region has trained more and more dual-purpose personnel for army and civilian life for developing northwest China. Now, over 50,000 trained cadres and fighters have returned to their towns, and are making contributions for invigorating the economy of northwest China. This is because 70 percent of the military region's cadres and fighters come from northwest China. Some two-thirds of the military region's cadres and fighters have joined the vocational training program, and 13,000 people have been awarded certificates at university and secondary school levels.

I. 3 Apr 85

C H I N A
TAIWAN

V 1

COURT ENDS 2D SESSION IN LIU MURDER TRIAL

OW021145 Taipei CNA in English 1033 GMT 2 Apr 85

[Excerpt] Taipei, April 2 (CNA) -- The Taipei District Court concluded today the trial of two reputed gangsters indicted for the murder of Chinese-American writer Henry Liu in the United States last October. It will announce the verdict on April 9. Presiding Judge Cheng Chun-chia made the decision on the date of verdict after concluding the second trial session of the murder case at 1:45 Tuesday afternoon at the District Court's first courtroom, the same venue for the first open session March 20.

Appearing in the court, the two defendants, Chen Chi-li and Wu Tun, pleaded not guilty to the charge of killing Liu in Daly City, California, last Oct. 15, insisting that they acted on the orders of Vice Admiral Wong Hsi-ling, suspended director of the Intelligence Bureau under the Defense Ministry, and out of their patriotism.

Yeh Chien-chao, defense attorney for Chen, quoted Article 21 of the Criminal Code to argue that Chen, recruited by Wong as an intelligence agent last August, acted in pursuant to the order of his superior and therefore "is not punishable."

Wu Tun's defense attorney, Chou Tsan-hsiung, also noted that since Wong Hsi-ling had expressed his wish to give a lesson to Henry Liu, whom he said was a traitor to this nation, or to kill him, both Chen and Wu should not be punished for the act performed according to his order, and all the responsibilities for the murder of Liu should be shouldered by Wong himself.

Wong, together with his deputy director, Maj. Gen. Hu Yi-min, and deputy department chief, Col. Chen Hu-men, will stand trial April 4 by a military tribunal for their involvement in the murder case.

U.S., KOREA CRITICIZED ON CHINESE BOAT INCIDENT

OW010240 Taipei International Service in English 0100 GMT 31 Mar 85

[Station commentary]

[Text] The Republic of Korea, whose founding father found protective shelter in the Republic of China when the country was under Japanese occupation, has committed an act of ingratitude to its traditional ally by turning over two freedom-seekers to Communist China. We are referring to the torpedo boat incident which happened a week ago. Tu Hsin-li, and Wang Chung-jung, two of the 19 sailors aboard the boat of the Communist Chinese Navy, seized the craft while it was returning to Chingtao after a training exercise in an attempt to sail it to Taiwan, the seat of the Republic of China. In trying to gain control of the torpedo boat, the two defectors killed six crewmembers and wounded two others. They succeeded only in reaching Korean waters due to fuel shortage.

This is what really happened aboard the boat as revealed by a Chinese resident in Kunshan Kunshan who acted as an interpreter for the Korean authorities. This is newly reported by Japanese papers as well as by the press in the Republic of China. Some Korean papers also reported that the two freedom-seekers pledged to reach Taiwan, but the Korean Government had a different story, saying the incident was purely a scuffle aboard the ship. It described the two defectors as having some grievances against their superiors and said they shot their superiors after they were scolded.

The story has as many holes as a sieve. How could two sailors in a small boat have grievances at the same time? If they did, how could they have acted simultaneously? Furthermore, they couldn't have been able to overwhelm the rest of the crew without careful planning in advance.

Absurd as the story is, the Korean Government sounded even more ridiculous in saying that all the crewmembers wanted to return to Red China. This amounts to saying that the two freedom-seekers willingly accept their fate, knowing that they would be certainly executed after their return. Yet the Korean Government insisted that it was the truth.

However, they can fool no one. Why did the Korean authorities refuse the ROC ambassador's request to interview the sailors in person or allow the sailors to meet the press if there were nothing to hide? The ugly truth is that Seoul is eager to please the Chinese Communist regime at the expense of an ally even if it is a one-sided courtship. Peking will never move its embassy from Pyongyang to Seoul, no matter what the South Koreans may do.

While the Korean Government's action is deplorable, the U.S. Government is not beyond blame in officially approving the act which is tantamount to cold-blooded murder.

Concerning moral responsibility, there is a Chinese proverb saying: I did not kill Po Jen; Po Jen died because of me. The proverb absolutely describes what the Korean Government has done in turning over the two Chinese defectors to the Peking regime.

FOREIGN MINISTER VIEWS RELATIONS WITH KOREA

OW011109 Taipei Domestic Service in Mandarin 2300 GMT 30 Mar 85

[Text] Minister of Foreign Affairs Chu Fu-sung said at the Legislative Yuan yesterday that the government has expressed deep regret over the unfortunate incident concerning Korea's return of the torpedo boat to the Chinese Communists and disagrees with the position of the Korean Government and the way it handled the incident. But, he said, although it is surely necessary to examine and improve Sino-Korean relations, it has not yet come to the point of withdrawing envoys or breaking off relations. He emphasized that, like the general public, the government is discontented with the way Korea handled the incident, but that in view of the close cooperation between the two countries over the past years and the security of the Asian and Pacific region, such cooperative relations must be maintained and should not be affected by any unpleasant incidents.

He said that the Korean Government has agreed to provide our government with materials on the investigation of the torpedo boat incident for our reference, after they are sorted out, and that it is believed that the incident will not seriously affect the relations between the Republic of China and Korea.

HUMAN RIGHTS LEADER WRITES U.S. ON BOAT ISSUE

OW030307 Taipei CNA in English 0232 GMT 3 Apr 85

[Text] Taipei, April 2 (CNA) -- The United States has undermined human rights and humanitarian values by hailing South Korea's return of a mutinied Chinese Communist torpedo boat and its crew, Dr. Han Lih-wu, president of the Chinese Association for Human Rights, said Monday. In a letter to Elliott Abrams, U.S. assistant secretary of state for human rights and humanitarian affairs, Dr. Han expressed his regret over a statement issued by a State Department spokesman expressing satisfaction at the smooth solution of the incident.

Dr. Han said that the South Korean Government ignored the free will of the Red Chinese crewmen, thus violating principles of justice and humanitarian values. He particularly cited a UPI dispatch saying Seoul had ignored a beg for mercy from the two alleged mutineers and cold-heartedly handed them over to the Peiping regime.

Dr. Han called on U.S. authorities to convey to the Chinese Communists concern for the fate of the surviving crewmen, particularly the two mutineers.

The Chinese human rights leader also recently sent a letter to Thomas Hammarberg, secretary general of Amnesty International. Dr. Han thanked the London-based human rights organization for its concern for the Red Chinese crewmen. The organization had urged the Korean Government to respect the free will of the crew before their return. It has also called on Peiping not to execute the mutineers.

S. KOREA'S HANDLING OF BOAT INCIDENT DEcried

OW291420 Taipei Domestic Service in Mandarin 2300 GMT 26 Mar 85

[Station commentary]

[Text] On the afternoon of 26 March, the Korean Government made a decision to return the Chinese Communist torpedo boat and its crew to the Chinese Communist regime on 27 March. Upon learning this news, the people of our country not only felt regretful and disappointed but were indignant at the Korean Government's style of acting hastily and clinging obstinately to its own course. In this connection, our Ministry of Foreign Affairs issued a statement to express its dissatisfaction.

Since the Chinese Communist torpedo boat incident last Saturday, our government made every effort to express its concern through various channels and expressed the hope that the Korean authorities would respect the free will of the crew members. This concern was based on earlier reports that some members of the crew wanted to seek freedom. Because of this, we expressed the hope, from the very beginning, that Korea would let our diplomatic personnel in that country meet the crew members personally to help find out the actual state of affairs, especially whether the two plotters of the shootout on the boat, Tu Hsin-li and Wang Chung-jung, did have the intention of seeking freedom, as reported. If they did have such an intention, undoubtedly our government would, on humanitarian grounds, make every effort to help them accomplish what they wanted to do.

Contrary to expectations, the Korean side all along refused to allow our embassy personnel to meet them, and last Saturday afternoon hastily published the results of its investigation, saying that the incident involved no political aim at all. Subsequently, citing international practice, the Korean side described the incident as a case of emergency disaster and rescue at sea and said that the shootout on the boat was purely a fight in which Korea had no authority to intervene.

Seemingly, Korea's allegation is in conformity with a principle of international law. That is, a warship on the high seas has the exclusive right of extraterritoriality beyond the jurisdiction of other nations. Such being the case, naturally Korea should not meddle in the incident. On the other hand, however, international law observes the principle of nonextradition of political offenders, while military offenders and political offenders means the same thing. If some crew members did ask Korea for political asylum, the latter had the obligation to accept them.

From another point of view, China and Korea have formal diplomatic ties, while we have the right to know about the fate of our compatriots from the Chinese mainland. Now Korea only made a one-sided allegation and even deprived the crew members of an opportunity to publicly express their opinion. How can it credit others with this kind of act, that is, by trying to hide a mistake, only to make it more conspicuous? Had it given the crew members an opportunity to publicly and freely voice their opinion and had the crew members unanimously expressed their willingness to return to the Chinese mainland, then we would have nothing to say.

What would Korea have lost by so doing? Furthermore, Korea's act to cover up the actual state of affairs is detrimental to the government's popularity among its own people and to their anticommunist morale.

It follows from the above that we support our government's stern statement on this incident. What is more, we appeal to all human rights organizations and press circles in the world to look squarely at this incident. If some crew members on the boat certainly had the intention to seek freedom, then what Korea has done will, no doubt, be a disgrace to itself as a civilized nation.

While we are extremely reluctant to see Sino-Korean diplomatic relations adversely affected by this torpedo boat incident, we should give Korea our sincere advice in view of what it has been doing in recent years in seeking conciliation with the Communists. The situation in Northeast Asia is a complicated and subtle one. Korea is now complacent for having obtained a so-called memorandum of apology from the Chinese Communists. As a matter of fact, however, because of the fraternal Communist Party ties between the Chinese Communist regime and North Korea, in no way can the Republic of Korea obstruct the aggressive ambition of the Communists merely by willingly currying favor with them. A democratic nation should safeguard human rights and oppose the enslavement system of communist parties. How can it pursue illusory political interests at the cost of human rights?

TAIWAN, NETHERLANDS BEGIN TAIPEI BUSINESS TALKS

OW021051 Taipei CNA in English 1024 GMT 2 Apr 85

[Text] Taipei, April 2 (CNA) -- There is great potential for further expansion of trade between the Netherlands and the Republic of China, Wang Chien-shien, vice minister of economic affairs, said Tuesday at the third meeting of the Chinese-Dutch Joint Business Council at the Howard Plaza Hotel in downtown Taipei.

Wang said the Netherlands is the Republic of China's third largest trade partner in Europe, next only to West Germany and the United Kingdom. It is comfortably ahead of France and Italy. In 1984, Wang said, two-way trade between the two nations reached more than U.S. dlr 684 million, a 14.6 percent increase from 1983. Trade with the Netherlands accounts for 12.6 percent of Taiwan's total trade with Europe.

The Republic of China, Wang said, is now making intensive efforts to restructure its industries, upgrade its service sectors, promote the development of science and technology, and emphasize trade liberalization. Wang said he hopes the Netherlands can enhance its investments in the Republic of China and promote the transfer of technology.

Y.S. Chen, chairman of the Chinese-Dutch Economic Cooperation Committee, said that the last two meetings have advanced trade and industrial cooperation between the two nations. He said he hopes the current meeting can further promote agricultural and technical cooperation.

A.M. Lels, chairman of the Joint Business Council Netherlands-Taiwan, said that the opening of KLM Dutch Airline's third scheduled flight per week to Taiwan is significant in the tremendous development in trade and traffic between the two countries. Together with Chinese airlines five flights per week are now available, and daily flights may be possible in future, Lels said.

A joint statement will be issued before the end of the two-day meeting Wednesday.

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SHANGHAI CPC HEAD, MAYOR 'ABOUT TO BE REPLACED'

HK030429 Hong Kong SOUTH CHINA MORNING POST in English 3 Apr 85 p 22

[Text] The party chief and mayor of Shanghai, China's largest municipality, are about to be replaced, according to reliable sources. Two leaders of ministerial rank in Peking will go to Shanghai to take over from Mr Chen Guodong, the party first secretary, and Mr Wang Daoheng, the mayor.

The changes are part of the current revamping of party, military and government structures both at the central and provincial level. Shanghai enjoys provincial status, being directly under the State Council, though only a municipality.

The new party chief in that municipality is expected to be the present minister of Urban and Rural Construction and Environmental Protection, Mr Rui Xinwen, and the new mayor is believed to be the current minister of Electronics Industry, Mr Jiang Zemin.

Rumours of the changes began to circulate abroad since early last year when criticism was directed at the municipality for not moving fast enough in the modernisation efforts although Shanghai has probably the best foundation for an economic takeoff than any other city. Indeed, on several occasions, the people in Shanghai were told to follow the example set by Canton. But except for a few cases, Shanghai has made little headway in this direction and the mayor, Mr Wang, who is in his late 60s, has taken much of the flak for Shanghai's shortcomings. Lately, such criticism has also been directed at other officials, including the party chief, Mr Chen, himself.

CHENG MING VIEWS CALLS FOR ACADEMIC FREEDOM

HK030258 Hong Kong CHENG MING in Chinese No 4, 1 Apr 85 p 25

[Article by Hsu Fei: "A Call for Academic Freedom"]

[Text] Just as creative freedom has been called for in the literary field, academic freedom has also been called for. People in theoretical and academic circles have published articles in RENMIN RIBAO, GONGREN RIBAO, and Shanghai's WEN HUI BAO and JIEFANG RIBAO, calling for academic freedom.

The Philosophy Fever at Fudan University

Recently some graduate students of the Philosophy Department at Fudan University held a series of lectures on the topic "philosophy and reform." The lectures lasted for 1 month, and drew packed audiences each time. In a lecture entitled "Economic Reforms and Philosophy's Missions," a student boldly posed such questions as: Is there just one single truth in the world? Does truth exist solely in one academic school, or do various academic schools all include different elements of truth? Apart from being opposed and exclusive to each other, do truth and error also have some overlapping points? Without resolving questions like these at a deeper theoretical level, it will be hard to bring about a situation in which a hundred schools of thought are encouraged to contend with each other, and the reforms will lack adequate theoretical support.

In a lecture entitled "Diversification and Arbitrary Opinion," Chen Kuide, a doctoral candidate, partially answered the above questions. By citing many new achievements in both the natural and social sciences as evidence, he proved that diversification is the foundation for development, and arbitrary opinion is the foundation for rigid dogmas and benighted mentality.

How to view Marxism was the central subject of this series of lectures. The lecturer on "Marx and the Modern World" held that although Marxism is the theoretical foundation and guiding ideology for the Communist Party, nevertheless it is a product of history and the result of some studies. So it should also be the object of further studies rather than just being the object of explanation.

It is said that the lectures also drew many people from other departments, and the lecture hall was packed, with laughter and applause bursting out from time to time.

The vehement scene of these philosophic lectures showed that academic freedom and a "reform of Marxism" are what people desire and are things that conform with the trend of the times. The CPC leadership in the theoretical field also has this intention.

Yu Guangyuan's Bold Speech

Recently, a CPC inner journal REFERENCE AIDS FOR FOREIGN PROPAGANDA carried Yu Guangyuan's talk with some reporters. When he was asked about reactions to the RENMIN RIBAO commentator's article "Theory and Reality," Yu Guangyuan said: "I don't think that the article has made a thorough analysis. If there were only one problem that the classical works of Marxism could not solve, then it would be right to say that they cannot solve 'all' problems. As a matter of fact, in my view, there are now quite a few questions in China whose answers cannot be found in Marx' works." He also said: "Marx' 'Das Kapital' can fully explain the necessity for the socialist revolution, but this book provides no sufficient explanation of socialist construction."

In another speech, Yu Guangyuan said that he did not agree with the viewpoint that the capitalist countries have no democracy.

It Is Necessary To Relax Control Over Ideas

Recently, not only have some people in political theoretical circles called for restudying Marxism, but some economists have also called for more academic freedom in order to better adapt theory to the developing situation.

JINGJIHUA ZHOUBAO [ECONOMIC WEEKLY] recently published an article, saying that an important reason why economic theory in our country has lagged behind economic development and the practice of reforms for a long time is that there are too many visible and invisible trammels of outmoded dogmas. The article held that our economic theoretical studies only serve the purpose of publicizing and illustrating the existing economic policies rather than evaluating economic policies. As a result, theory can only follow the policy and change in line with the change of policies, and theory always lags behind practice. Why so? Because there is no sufficient freedom for people to carry out academic discussions. Some theoretical workers are always very careful when writing something. They dare not go one step beyond the prescribed limits, and simply fill their articles with "quotations" and stereotyped expressions for fear of being accused of "violating the four basic principles" and "departing from the classics and rebelling against orthodoxy."

In theoretical circles, people's mixed mentality is reflected by their desire to make breakthroughs and their fear of being criticized. The CPC top leadership should have been aware of this situation. For this reason, a central leader recently said: We indeed have many difficulties. All of us should encourage each other. Intensifying criticisms will only make things more complicated and difficult. We must not tolerate economic and criminal offenders whose cases are serious. However, we should help and advise people who have or express unhealthy ideas.

It is hard to require everyone to keep their minds clean. We should not take it so seriously if we find that some people have shortcomings. Their shortcomings can be pointed out in a realistic way, but they should not be treated as the enemy and be punished ruthlessly.

He particularly stressed that it is necessary to prevent the reckless charges of "opposing the four basic principles" and "refusing to maintain an identical political position with the central leadership" against people. What are the four basic principles? They are the Communist Party's leadership, the socialist system, the proletarian dictatorship, and Marxism-Leninism-Mao Zedong Thought. How can people oppose all these four things? If so, their "crimes" would be more serious than those of the "three-anti elements" during the "Cultural Revolution."

It seems that the Chinese authorities will allow academic freedom to a certain degree to the theoretical circles as approving freedom of creation for writers. It seems that the "special zones for ideology" mentioned in the last issue of CHENG MING will be set up not necessarily in overseas areas.

PLA'S YANG DEZHI CITED ON MILITARY RESEARCH

HK021100 Hong Kong MING PAO in Chinese 1 Apr 85 p 6

[Special dispatch from Beijing: "PLA's Military Science Is Focused on Future Warfare"]

[Text] The various arms of the PLA have already established military science research committees and groups. These research committees and groups discuss and solve current questions on military science and also pay great attention to research on future warfare and study military science concerning future warfare.

In an important speech made on 20 March, Yang Dezhi, chief of the General Staff, pointed out that research in military science plays a guiding role in building the Army. In order to bring this guiding role into full play, "we must work hard for modernization and face the world and the future."

Yang Dezhi also said: The Army must maintain sharp vigilance at all times in order to face a world war and defend the country, and must understand that, due to various factors and restrictions, war might be delayed. So future war may be different from war today.

The chief of the General Staff also believed that the world today is undergoing a rapidly developing, new technological revolution. Since a large number of various new technologies and materials are now in military use, many new weapons will certainly be produced. And together with these new weapons, many new methods of combat, command, logistics, and so on and so forth will be created accordingly. The establishment and structure of the Army will also change and the pattern and structure of war will be different. Some of today's most advanced planes, warships, and missiles will probably become obsolete before the end of this century.

Yang Dezhi said that the weapons which would have the greatest deterrent force in a future war are perhaps those which are now in the laboratories or still in the minds of scientists. The weapons used by any Army currently are obsolete compared with those in the laboratories. When war breaks out, the weapons that are now just blueprints will be turned into weapons in the hands of the Army. So obtaining information only by observing the present military equipment of foreign armies will not enable us to see clearly the true features of future war.

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Yang Dezhi pointed out that the weaponry and equipment of the Army will inevitably be improved along with the country's economic development. Research in military science must be given first priority among the various kinds of work and should not be restricted by present equipment. If we are satisfied with the present equipment, it will be difficult for us to bring into full play the guiding role of research in military science.

Yang Dezhi stressed that in the research in military science, such a strong atmosphere should be created so as to focus the research work on future warfare. This kind of research work not only needs courage, but also needs a good, democratic atmosphere and normal academic contention among different scientific schools. Academic disputes should not be settled by an immediate "final say" or "fixed tone". Better understanding should be reached through academic discussion and contention. In a word, research in military science should not be restricted by "books" or the opinions of higher "authorities". People's positions should not be the criteria for judging truth. From commanders to ordinary soldiers, all must obey truth in academic research.

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